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SAN FRANCISCO
PORT COMMISSION

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OCT 0 8 1999

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REGULAR MEETING
4:00 P.M., TUESDAY, OCTOBER 12, 1999
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - September 21, 1999 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT CALENDAR**

   A. Approval of Consent Agreement with Pier 38 Maritime Center, Inc. (Resolution No. 99-84)

5. **MARITIME**

6. **REAL ESTATE**

   A. Approval of ten-year lease with Information Network Radio, Inc. for the Roundhouse One Building located at 1500 Sansome Street (Sansome Street at the Embarcadero). (Resolution No. 99-79)

   B. Request for authorization to issue Request for Proposals to Lease 601 Cesar Chavez Street formerly known as the Pier 80 Inn Restaurant. (Resolution No. 99-80)

   C. Approval of Exclusive Right to Negotiate Berthing Agreement with Pacific Union Development Company for berthing of the Historic Ocean Liner S.S. Lurline at Pier 35 (The Embarcadero at North Point Street) (Resolution No. 99-81)

   D. Approval of Landlord's Consent to Assignment of Parking Lease from WCB Twenty-Eight Limited Partnership to The Gap, Inc. at Seawall Lot 328 located at Spear Street and the Embarcadero. (Resolution No. 99-82)

   E. Resolution authorizing the Port Executive Director to execute the Assumption, Assignment, Consent to Assignment and Extension Agreement and to execute amended leases in settlement of any and claims between City Building, Inc. and the Port concerning Peer Inn, Case No. 98-31087-TC. (Resolution No. 99-83)

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7. FACILITIES & OPERATIONS

A. Authorization to award Contract No. 2660, "Construction of the China Basin Ferry Terminal." (Resolution No. 99-78)

8. PLANNING & DEVELOPMENT

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: Boondocks Restaurant
Person Negotiating: Port of San Francisco: Mark Lozovoy, Commercial Property Manager
*Boondocks: Jim Kennedy

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations between the Port and Boondocks regarding the Boondocks Restaurant.

b. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurant at Folsom and Embarcadero.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION & POTENTIAL SETTLEMENT MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
_X_ As Defendant _X_ As Plaintiff

b. Discuss Stipulated Settlement Agreement with Specialty Crushing pursuant to subdivision (b) of the California Government Code Section 54956.9. (If Commission takes action on this item, the action will be reported in open session.)

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

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PUBLIC MEETINGS
OCTOBER 1999

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Tuesday, Oct. 12	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Tuesday, Oct. 19	9:00 a.m.	Pier 45 Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Tuesday, Oct. 19	11:00 a.m.	Waterfront Design Advisory Committee	Executive Conf. Room Ferry Building
Wednesday, Oct. 20	9:00 a.m.	Pre-submittal Conference Pier 45 Shed A RFP	Scoma's Restaurant Pier 47, Fisherman's Wharf
Tuesday, Oct. 26	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada, Port Commission Secretary at 274-0406, to be placed on the mailing list for Commission meeting agendas.

The Pier 45 Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group does not have any meetings scheduled for October.

The Southeast Waterfront Advisory Group will meet on October 18. Meeting place to be determined. Please contact Braj Norris at 274-0540 for more information.

The Rincon Point-South Beach CAC will meet at 5 p.m. on September 20 at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southern Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
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www.sfport.com

MEMORANDUM

October 12, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Consent Agreement with Pier 38 Restaurant LLC

DIRECTOR'S RECOMMENDATION: APPROVE CONSENT AGREEMENT WITH PIER 38 RESTAURANT LLC

BACKGROUND

Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. (jointly and severally, "MRC") has been the tenant at Pier 38 since August 1, 1996 under Port Lease No-12120. The Lease has a term of twenty (20) years and nine (9) months with three (3) five-year options for the development and operation of a maritime recreation center.

The approved uses under the Lease are predominantly maritime in nature and include: dry boat storage and launching facilities, transient berthing, small boat rental, maritime recreational equipment rental, new and used boat sales and a maritime chandlery. However, in addition to the approved maritime uses of the Premises allowed under the Lease, the tenant's use of the Pier also allows for 5,000 square feet dedicated to casual and full service dining.

In order to obtain funds to develop and operate a restaurant on that portion of the property which has been approved for the restaurant site ("Restaurant Site"), MRC has proposed to form a new entity to operate the restaurant (Pier 38 Restaurant LLC; herein the "Operator") with a third party investor/manager , We Three LLC, a California limited liability company, in which Gene Tartaglia and Carl Christian (a food and beverage owner and operator) are the managers.

THIS PRINT COVERS CALENDAR ITEM NO. 4A

The proposed Operating Agreement between MRC and We Three LLC provides that MRC will contribute to the venture its interest in a liquor license and its right to operate a restaurant on the Restaurant Site, while We Three LLC will make an initial contribution of $500,000 toward the development of the Restaurant Site, and additional amounts to complete the interior refurbishing of the Restaurant Site in amounts determined in the sole discretion of Carl Christian.

We Three LLC has indicated that, as a condition to executing the Operating Agreement of Pier 38 Restaurant LLC and making its investment in the project, it needs certain assurances from the Port in the form of a Consent Agreement. MRC is asking the Port Commission to approve the Consent Agreement attached hereto as Exhibit A which would acknowledge the Port's consent to; (i) the contemplated operation of a restaurant on the Restaurant Site by the Operator, provided that the Restaurant Site is operated in accordance with the terms of the Lease, and (ii) in the event the Port terminates the Lease due to a default by MRC, and provided that Operator has in no way contributed to MRC's default under the Lease, then Port shall enter into a new lease agreement with Operator for the Restaurant Site for the remaining balance of the lease term on terms and conditions of the Lease as the Port determines would be applicable to the Restaurant Site.

The Lease does not include provisions which require the Port to execute the requested Consent Agreement. Port staff, however, has determined that execution of the Consent Agreement would be in the Port's best interest and further the objectives of developing Pier 38 because it will allow MRC to obtain development and operating funds for the Restaurant Site.

The City Attorney's office drafted and approved the form of the Consent Agreement.

Recommendation

Port staff recommends that the Port Commission authorize execution of the Consent Agreement.

Prepared by: Mark W. Lozovoy, Acting Principal Area Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-84

WHEREAS, Charter Section 3.581 grants to the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, the Port has entered into Lease No. L-12120 with Carl Ernst, Jr. and Pier 38 Maritime Recreation Center, Inc. (collectively "MRC") for real property located at Pier 38, and more particularly described in the Lease, and in accordance with the terms of the Lease, the property is intended to be used as a maritime recreation center; and

WHEREAS, the Lease between the Port and MRC allows for 5,000 square feet of the Premises to be used for Casual Dining and Full Service Dining; and

WHEREAS, MRC has proposed to form with We Three LLC, a California limited partnership, a new entity to develop and operate that portion of the property approved as the restaurant site ("Restaurant Site") under the name "Pier 38 Restaurant LLC" ("Operator"); and

WHEREAS, We Three LLC, in order to protect its investment, has required as a condition to executing of the organizational documents of the Operator, that the Port gives certain assurances to the Operator related to the Restaurant Site in the form of a Consent Agreement, now therefore, be it

RESOLVED, that the San Francisco Port Commission hereby approves entering into a Consent Agreement related to Lease No. L-12120 with Pier 38 Restaurant LLC on the terms and conditions outlined in this Agenda Memorandum Item 4A, and as more fully described in said Consent Agreement attached hereto; and further, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the Executive Director of the Port, or his designee, to execute the attached Consent Agreement on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 1999.

_____
Secretary

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CONSENT AGREEMENT

THIS CONSENT AGREEMENT (this "Agreement") dated for reference purposes as of _____, 1999, is made by PIER 38 RESTAURANT, LLC a California limited liability company ("Operator"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation operating by and through the SAN FRANCISCO PORT COMMISSION (the "Port").

THIS AGREEMENT is made with reference to the following facts and circumstances:

A. The Port has entered into Lease No. L-12120 (the "Lease") dated January 13, 1996, as Landlord, with Carl Ernst, Jr., and Pier 38 Maritime Recreation Center, Inc., a California corporation (MRC), jointly and severally, as Tenant, for real property located in San Francisco, California, and more particularly described in the Lease (the "Property"), and, in accordance with the terms of the Lease, the Property is intended to be used as a maritime recreational center, with a portion of the Property being designated for development as a restaurant (as more particularly described in Exhibit A attached hereto (the "Restaurant Site").

B. In order to obtain funds to develop and operate the Restaurant Site, MRC formed a new entity (Operator) with We Three LLC, a California limited liability company.

C. In order to protect its investment, We Three LLC requested the Port to give certain assurances to the Operator in connection with the Restaurant Site, all as specifically set forth in this Agreement.

D. Operator has submitted to Port a copy, certified as true and correct, of its operating agreement ("Operating Agreement").

E. Except as otherwise defined herein, capitalized terms used in this Agreement shall have the respective meaning given them in the Lease.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Operator and the Port hereby agree as follows:

1. Consent. The Port hereby consents to the contemplated operation of a restaurant on the Restaurant Site by Operator provided that the Restaurant Site is operated in accordance with the terms of the Lease.

2. Indemnification. For the operation of the Restaurant Site, the provisions of Article 20 of the Lease are incorporated by reference and made a part hereof as if set forth in full in this Agreement except that Operator shall also have the liabilities attributed to Tenant.

3. New Lease. In the event the Port terminates the Lease due to a default by Tenant, (following any notice and cure provisions provided therein, including mortgagee protection provisions), and provided that Operator has in no way contributed to, directly or indirectly, Tenant's default under the Lease (including, without limitation, failure to pay amounts due Tenant or to comply with any other obligations owed Tenant), then Port shall enter into a new lease agreement ("New Lease") with Operator for the Restaurant Site for the remaining balance of the term of the Lease (and, except as provided in paragraph 2 hereof and except with regard to the Restaurant Site, Operator shall not be liable for or obligated to cure any monetary or non-monetary default of Tenant occurring before the Port succeeds to Tenant's

interest under the Lease) , under all of the terms, covenants, and conditions of the Lease as would be applicable, in the Port's sole and absolute discretion, to the Restaurant Site including, without limitation, Operator's obligation to pay Rent, provide Port with a security deposit, and maintain the Restaurant Site at its sole cost and expense; provided, however, Operator shall have no rights under Sections 38 and 39 of the Lease, and further provided, however that:

(i) the Port shall not be liable for or obligated to cure any monetary default allegedly owed to Operator with respect to the Restaurant Site occurring prior to the time that the Port succeeds to Tenant's interest under the Lease, nor be subject to any offsets, defenses or claims that Operator may be able to assert against Tenant; and

(ii) the Port shall not be liable for or obligated to cure any non-monetary default allegedly owed to Operator with respect to the Restaurant Site occurring prior to the time the Port succeeds to Tenant's interest under the Lease; and

(iii) the Port shall not be liable to Operator for any sums, including without limitation, any security deposits or prepaid amounts, paid by Operator to Tenant; and

(iv) the determination of whether the Operator has contributed in any way, directly or indirectly, to Tenant's default under the Lease, as described in this subparagraph 3, shall be within the Port's reasonable discretion and shall be a conclusive determination of that fact.

4. Further Condition. As a further condition to Port's obligation to enter into a New Lease with Operator, Operator shall provide to Port a certification in the form of an estoppel certificate that:

(i) the Operating Agreement for the Restaurant Site is attached to the certificate, along with any amendments or modifications thereto, and that Operator is not in default under said agreement; nor has any event occurred which, with the passing of time or giving of notice, or both, would constitute a default on the part of the Operator, Operator having fully performed the obligations required by it to be performed with respect to the Restaurant Site, nor does Operator assert against Port, Tenant or any other person with respect to the Restaurant Site any offset or defense against the payment of any amount payable by Operator or the performance of any other obligation by Operator with respect to the Restaurant Site;

(ii) that Operator is not entitled to any offsets or other credits against Tenant;

(iii) that Operator has not assigned all or any part of its rights with respect to the Restaurant Site;

(iv) that there are no actions, whether voluntary or otherwise, pending against Operator under any insolvency, bankruptcy or other debtor relief laws of the United States or of any state;

(v) that Operator has no knowledge of any prior assignment, hypothecation, grant of security interest or pledge to any person by Tenant with respect to the Restaurant Site;

(vi) that the certification shall be binding on Operator's successors and assigns and shall inure to and benefit the Port's successors and assigns; and

(vii) such other matters as Port may reasonably request, including, without limitation, evidence reasonably sufficient to demonstrate that Operator has the then-current financial ability to perform its contemplated obligations under the New Lease, and detailed information regarding proposed or existing uses at the Restaurant Site.

5. Nothing in this Agreement shall be construed to require Port to seek or obtain the prior consent of or give notice to Operator with respect to any amendment or other modification of any of the provisions, covenants or conditions of the Lease.

6. Operator shall have no right to assign all or any part of its rights under this Agreement.

7. Except to the extent specifically provided under paragraph 3, the Port shall have no liability or obligation to Operator with respect to the Restaurant Site and the Port does not assume any of the obligations of Tenant to Operator.

8. If Operator fails to request and enter into a New Lease with Port within thirty (30) days after termination of the Lease by Port, then all of Operator's rights under this Agreement shall terminate.

9. General.

9.1 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

9.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first

written above.

PIER 38 RESTAURANT LLC, a California limited liability company

By_____

Its_____

Dated_____

By_____

Its_____

Dated_____

ACCEPTED AND AGREED:

CITY AND COUNTY OF SAN FRANCISCO,

A municipal corporation acting by and through the

SAN FRANCISCO PORT COMMISSION

By_____

Douglas F. Wong, Port Executive Director

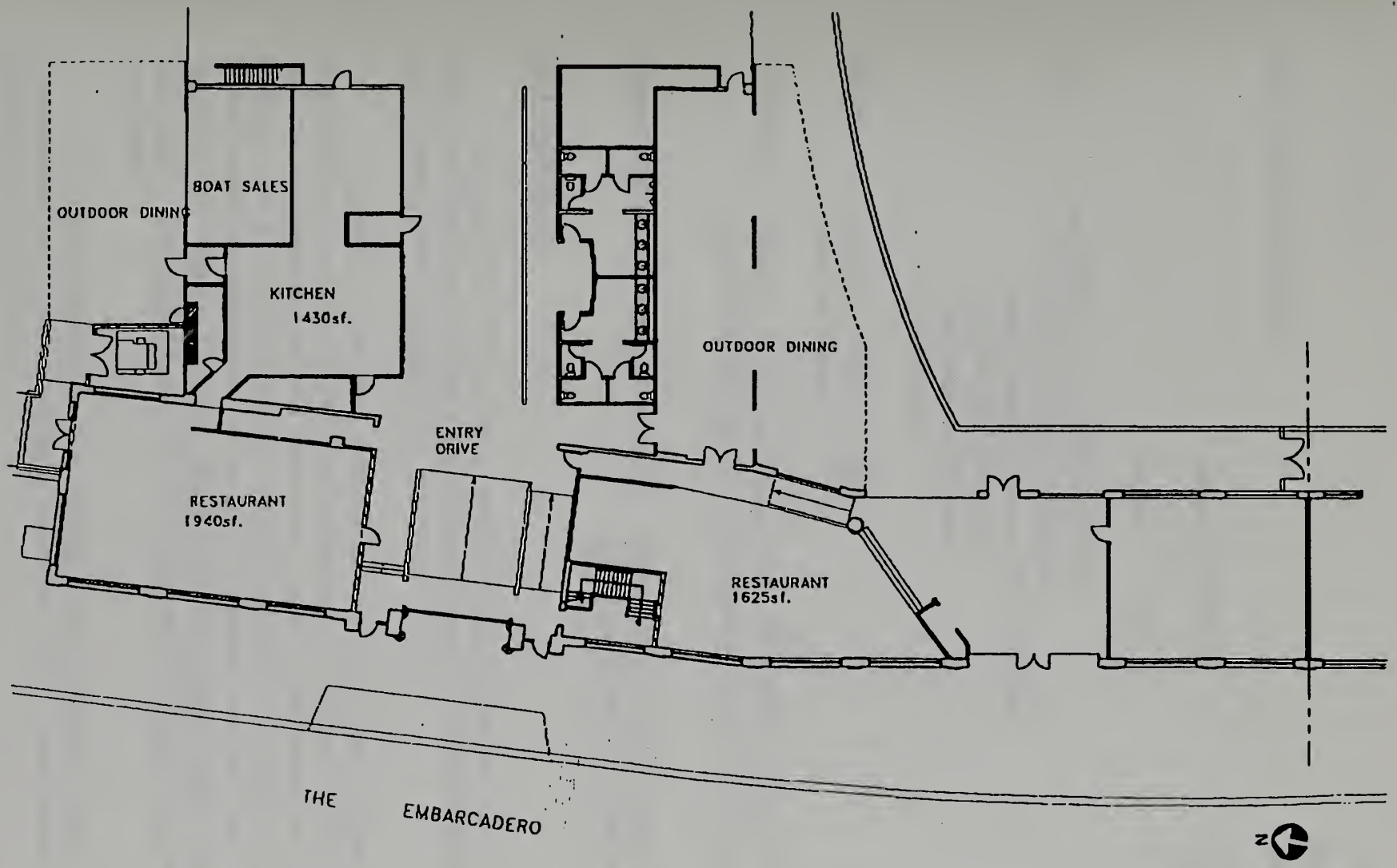
APPROVED AS TO FORM:

LOUISE H. RENNE

City Attorney

By_____

Deputy City Attorney



DINING AREA PLAN

PIER 38
RESTAURANT ENVELOPE PLAN

EXHIBIT

EXHIBIT A

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

October 12, 1999

TO: MEMBERS, PORT COMMISSION
Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of 10 Year Lease with Information Network Radio, Inc. for Roundhouse One Building, 1500 Sansome Street (at The Embarcadero).

DIRECTOR'S RECOMMENDATION: APPROVE 10 YEAR LEASE WITH INFORMATION NETWORK RADIO, INC.

BACKGROUND

On August 10, 1999 the Port Commission approved the issuance of a Request for Proposals to lease the Roundhouse One Building located at 1500 Sansome Street (at The Embarcadero) (Port Commission Resolution No. 99-65).

On August 20, 1999, the Port Real Estate Division issued a Request for Proposals seeking offers to lease the Roundhouse One Building on terms and conditions consistent with those approved by the Port Commission. Copies of the Request for Proposals were mailed to over 100 real estate brokers and brokerage firms. In addition, advertisements seeking qualified respondents to the Request for Proposals were published in the Sunday San Francisco Examiner/Chronicle, The San Francisco Business Times, The San Francisco Independent, The Sun Reporter, The Phillipine News, El Bohemio News, and Asia Week newspapers.

A tour of the Roundhouse One Building and the Roundhouse Plaza complex was scheduled and conducted on Wednesday September 8, 1999. Four potential bidders took advantage of this opportunity.

This Print Covers Calendar Item No. **6A**

On Friday, September 17, 1999, Port Real Estate staff received one responsive proposal and one non responsive proposal to lease the Roundhouse One Building. The non responsive proposal consisted only of a letter of interest in bidding or negotiating provided the Port was willing to agree to a twenty (20) year term. The responsive proposal was received from Information Network Radio, Inc., a San Francisco based radio broadcasting and direct satellite digital radio communications firm. Based on the response to the solicitation and the lack of any response from a maritime office user, the Port Commission can reasonably conclude that the property is not required for trust purposes at this time. The proposed lease with Information Network Radio, Inc. is an interim (less than 15 years) lease providing for non trust purpose use. The property can be leased on a short term (e.g. 10 years) for a use that will yield maximum profits consistent with the City charter requirements.

The Proposal: Information Network Radio, Inc. proposes to lease the Roundhouse One Building on the following terms and conditions.

Premises: Parcel A: The Roundhouse One Building consisting of approximately 20,025 gross square feet of which 18,610 square feet is rentable area.

Parcel B: A nonexclusive easement for pedestrian access over the common area of the Roundhouse Plaza complex to and from the adjacent public streets and rights-of-way to the Parcel A Premises.

Parcel C: A non exclusive easement for the placement of up to two 3 meter satellite communication dishes on the roof of the Roundhouse Two (10 Lombard Street) Building.

Note: Because of the historical status of the Roundhouse One Building, no alterations permitting the placement of the satellite communication dishes would be permitted on that building.

Parcel D: A non exclusive easement for the placement of a dedicated heating ventilating and air conditioning ("HVAC") unit on the roof of the Roundhouse Two Building and use of the existing HVAC plenum from the Roundhouse Two Building to the Parcel A Premises.

Term: 10 years from the date Port delivers exclusive possession of the combined Premises to Tenant, but in no event later than May 1, 2000.

Base Rent:	$35,650.00 per calendar month ($427,800 per year)
Rent Adjustment:	Annually, pursuant to the Port's Standard Consumer Price Index ("CPI") based formula.
Permitted Use:	General administrative and office use, radio broadcasting studios, radio marketing and sales and such other uses as may be approved by the Port.
Maintenance and Repairs:	The Port shall maintain or cause to be maintained the roof and the exterior walls of the Roundhouse One Building in a watertight condition. Port shall maintain or cause to be maintained the Roundhouse Plaza common areas in good and safe condition and repair, Port shall maintain or cause to be maintained below surface water and sanitary sewer lines serving Parcel A Premises. All other items of maintenance and repair to the Premises, including glazing, shall be the sole responsibility of the Tenant.
Utilities and Services:	All utilities and services including without limitation, electrical, natural gas, water, sewer, janitorial, pest control and garbage collection services shall be the sole responsibility of the Tenant.
Tenant Improvements and Alterations:	All Tenant Improvements and Alterations shall be the sole responsibility of Tenant.
Rent Credits:	Pursuant to Port Commission policy, a standard allowance via rent credits is permitted once during the term of $2.50 per square foot of leaseable area for new paint ($46,525) and new interior carpeting ($46,525). Such rent credits will be applied against the monthly rent obligation at a rate not to exceed one half (½) of the monthly Base Rent. A rent credit is available to the Tenant to reimburse the Tenant for its cost to design, purchase and install a dedicated HVAC system serving the Roundhouse One Building. This rent credit shall be equal to the Tenant's actual cost to design, purchase and install the new HVAC system, but not greater than $325,000.00. The rent credit shall be applied against the monthly rent at a rate not to exceed 1/120th of such costs or $2,708.00 per month, whichever is the lesser amount.

Analysis:

Given the anticipated level of expenditure by Information Network Radio, Inc. for Tenant Improvements and Alterations the proposed triple net rental rate of $1.91 per square foot accurately reflects market rental conditions. Information Network Radio, Inc. anticipates spending $2,150,000 for Tenant Improvements and Alterations to the Parcel A Premises. After taking into account the permitted Rent Credits for carpet, paint and the new dedicated HVAC system, the unreimbursed expenditure by the Tenant would equal $1,596,950 or $85.00 per square foot. Copies of the existing and proposed floor plans are attached hereto as Exhibits B and C respectively. Architectural renderings of the proposed remodeled Roundhouse One offices are attached as Exhibit D.

Without taking into account the cost of financing these improvements, the straightline amortization of these costs reflects a per month charge of $0.715 per square foot. Add to this the Port's savings on previously supplied utility and janitorial services ($0.45 per square foot per month) the proposed rental rate of $1.90 per square foot per month reflects a traditional real estate market rental rate of $3.065 per square foot per month ($36.78 per square foot annually). This rate is consistent with current market rentable rates for Class B office buildings in the Northeast Waterfront area. Traditional real estate market rents would anticipate that the tenant improvement costs, the cost of the new dedicated HVAC unit and the cost of services (e.g. utilities, janitorial, garbage collection, maintenance and repairs) would be borne by the Port.

The resulting rental rate will provide the Port incremental revenues of $118,120 during the first calendar year and $211,170 in the second calendar year (after rent credits) over existing net operating income attributable to the Roundhouse One Building, a fifty percent (50%) increase. Additional uncalculated savings can be attributed to the increased life of the existing HVAC system now serving the Roundhouse Two Building and the Roundhouse One Building which will, in the future serve only the Roundhouse Two Building and other costs of maintenance to be assumed by Information Network Radio, Inc.

Approval by Port Commission: Port Commission Policy requires Port Commission approval of all leases with terms greater than five years.

Approval by Board of Supervisors: The Administrative Code of the City and County of San Francisco requires that all non maritime leases with terms of ten (10) years or more and/or with total revenues in excess of One Million Dollars must be approved by the Board of Supervisors of the City and County of San Francisco. The proposed lease is for ten (10) years. The total minimum rent obligation over the term of the lease is over One Million Dollars. Accordingly Port Commission approval of the proposed lease with Information Network Radio, Inc. will require further approval by the Board of Supervisors of the City and County of San Francisco.

The Port Staff has determined that the releasing of this existing office building for an office use falls under the Port's "General Rule Exclusion" as issued by the Office of Environmental Review of the Planning Department of the City and County of San Francisco and, accordingly further environmental revue to comply with the California Environmental Quality Act ("CEQA") is not required.

Port Real Estate staff and Information Network Radio, Inc. have negotiated the terms of a proposed lease (Lease No. L-12837) incorporating the terms of this proposal.

Conclusion: Port staff recommends approval of Lease No. L-12837 with Information Network Radio, Inc.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-79

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manages, regulate and control the lands within Port jurisdiction; and

WHEREAS, the Port Commission by Resolution No. 99-65, dated August 10, 1999, authorized the Port staff to issue a Request for Proposals and Qualifications consistent with real estate industry standards offering a lease of up to 10 years for the Roundhouse One Building located at 1500 Sansome Street (at the Embarcadero); and

WHEREAS, Port staff, on August 27, 1999 , issued a Request for Proposals pursuant to said Resolution 99-65; and

WHEREAS, Port staff solicited by mail over 100 San Francisco Bay Area real estate brokers and brokerages to participate in said Request for Proposals, and

WHEREAS, Port staff caused to be published in seven newspapers of general and focused circulation advertisements soliciting participation in said Request for Proposals; and

WHEREAS, Port staff scheduled and conducted a tour of the Roundhouse One Building on September 8, 1999, for all parties interested in participating in said Request for Proposals; and

WHEREAS, Information Network Radio, Inc. on September 17, 1999, submitted a proposal to lease the Roundhouse One Building, which proposal was consistent with and responsive to the terms and conditions of Resolution No. 99-65; and

WHEREAS, on September 17, 1999, the Port received a non responsive proposal from one other bidder which proposal required the Port to agree to a term of a lease for twenty (20) years, and therefore inconsistent with the maximum ten (10) year term sought by the Request for Proposals; and

WHEREAS, Port staff has determined that the proposal of Information Network Radio, Inc. was the only responsive proposal to said Request for Proposals; and

WHEREAS, Port staff and Information Network Radio have negotiated the terms of a lease (Lease No. L-12837) consistent with said proposal on terms and conditions as outlined in the Memorandum to the Port Commission for Agenda Item 6A of the Port Commission meeting on October 12, 1999, a copy of which lease was available for public inspection with the Port Commission Secretary; and

WHEREAS, it is the determination of the Port Staff that the use of the Roundhouse One Building for the purposes outlined in the proposed lease to Information Network Radio, Inc. falls within the "General Rule Exclusion" as issued by the Office of Environmental Review of the Planing Department of the City and County of San Francisco; and

WHEREAS, Sections 2.110 and 9.118 of the Charter of the City and County of San Francisco requires that leases of ten (10) years or longer in length and/or having anticipated revenues to the City of One Million Dollars or more are subject to the approval of the Board of Supervisors of the City and County of San Francisco; now therefore, be it

WHEREAS, the Port Commission has determined that based on its public solicitation, and lack of response from a maritime tenant, that the Roundhouse One Building is not required for public trust uses for the term of the proposed lease, and that this lease will yield maximum profits to be used by the Port Commission in furtherance of the public trust, now be it further

RESOLVED, that the Port Commission finds that the Roundhouse One Building is not required for public trust use for the term of the proposed lease, and the proposed lease will yield maximum profits to the benefit of the public trust, and be it further,

RESOLVED, that it is the finding of the Port Commission that the use of the Roundhouse One Building for the purposes outlined in the proposed lease to Information Network Radio, Inc. falls within the "General Rule Exclusion" as issued by the Office of Environmental Review of the Planning Department of the City and County of San Francisco; and be it further

RESOLVED, that the San Francisco Port Commission, hereby approves Lease No. L-12837 with Information Network Radio, Inc. for the Roundhouse One Building, located at 1500 Sansome Street (at The Embarcadero) in the Roundhouse Plaza on the terms and conditions contained therein and as

outlined in the Memorandum to the Port Commission meeting on October 12, 1999 in substantially the form of such lease on file with the Commission Secretary; and be it further

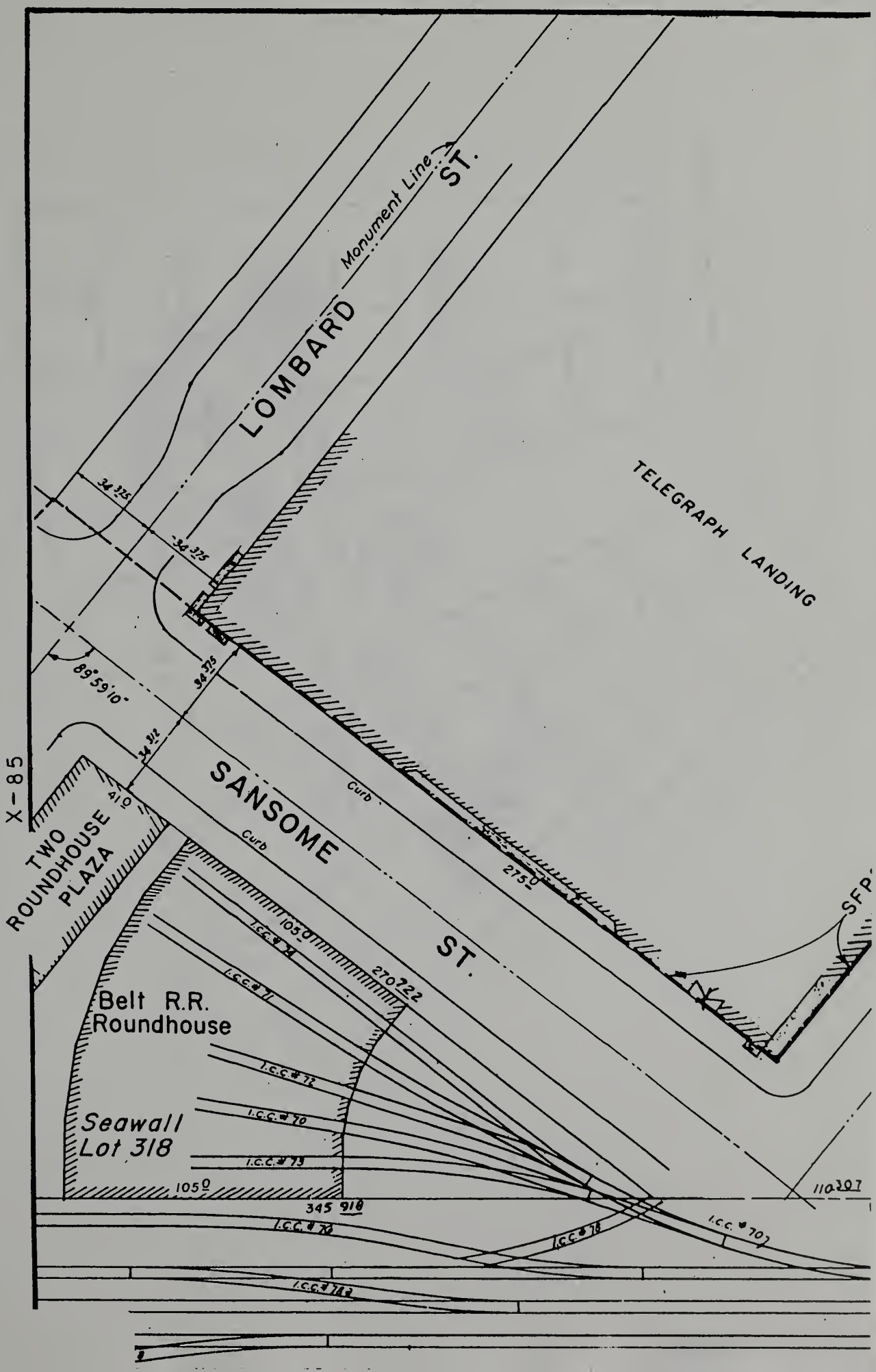
RESOLVED, that the Port Commission authorizes and directs the Executive Director of the Port ("Executive Director") after approval of the Board of Supervisors to execute Lease No. L-12837 with Information Network Radio, Inc. in such form as may be approved by the City Attorney; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the Lease (including, without limitation, preparation and attachment of, or changes to, any or all of the exhibits) that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of the Lease and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 1999.

_____
Secretary

G:\WP51\AGENDAS\ND-Info Radio Network/ND:vw/10/5/99


LOMBARD ST.
Monument Line
TELEGRAPH LANDING
SANSOME ST.
Curb
Curb
X-85
TWO ROUNDHOUSE PLAZA
Belt R.R. Roundhouse
Seawall Lot 318
89°59'10"
34.325
34.325
34.375
34.312
41.0
275.0
270.722
105.0
105.0
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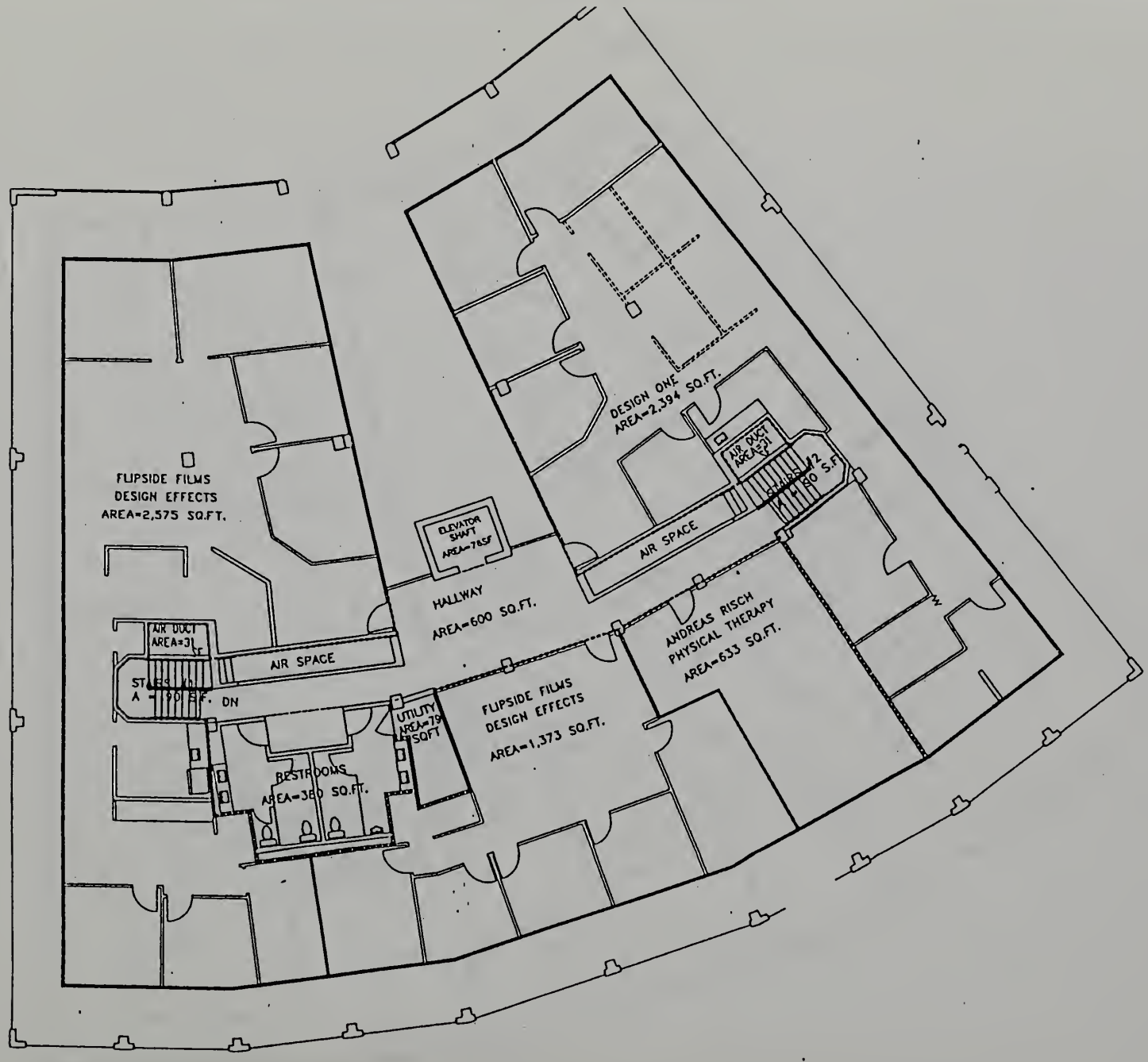
110.207
I.C.C. #71
I.C.C. #72
I.C.C. #70
I.C.C. #73
I.C.C. #76
I.C.C. #78
I.C.C. #707
I.C.C. #782

EXHIBIT A

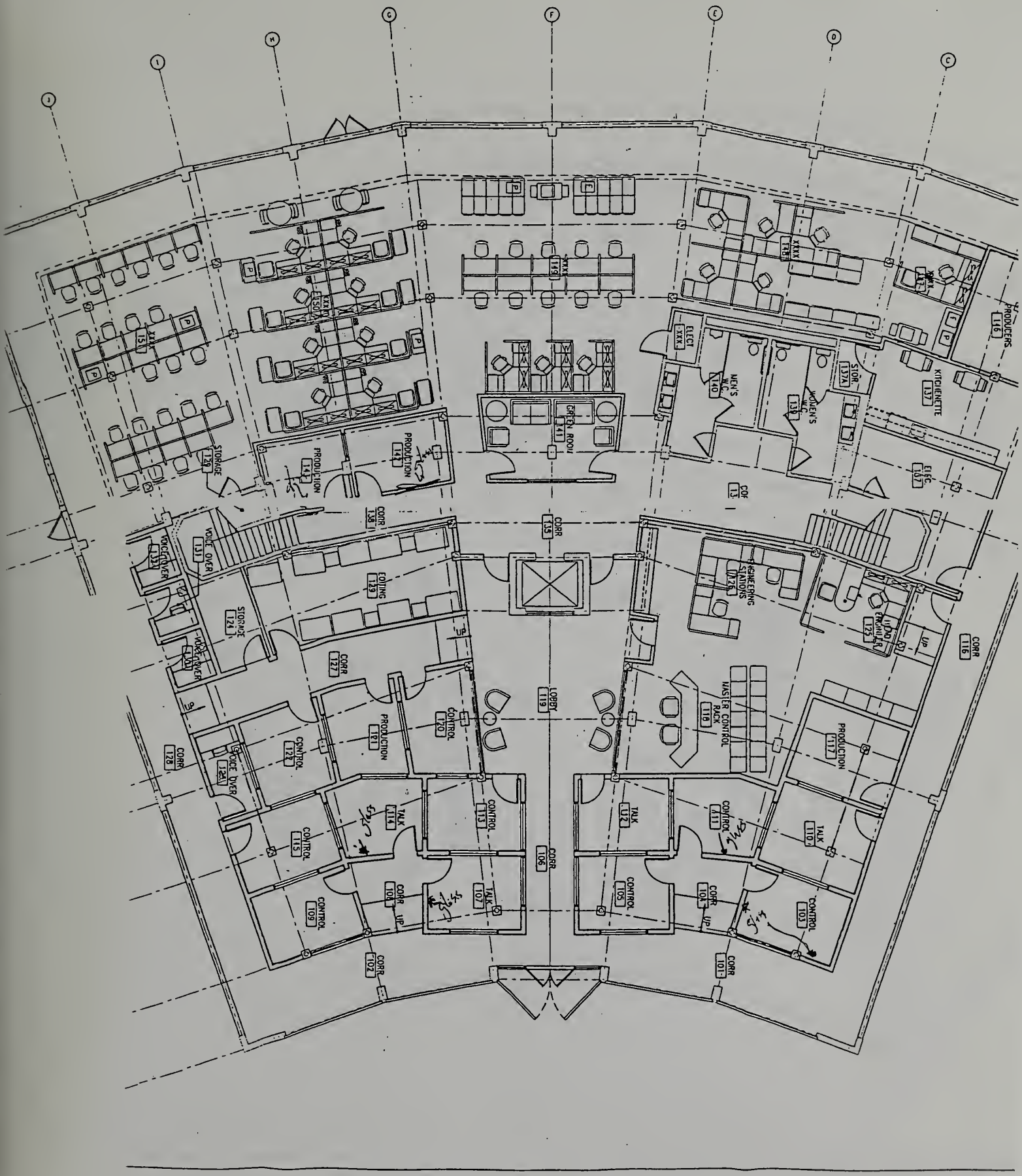
EXHIBIT B



MEZZANINE

GROUND FLOOR

EXHIBIT B


PRODUCERS 146
KITCHENETTE 137
MEN'S WC 140
WOMEN'S WC 139
STOR. 137A
ELEC 137
GREEN ROOM 141
PRODUCTION 142
PRODUCTION 143
STORAGE 129
COR 13
CORR 138
CORR 135
VOICE OVER 131
VOICE OVER 133
EDITING 133
STORAGE 124
VOICE OVER 130
VOICE OVER 132
ENGINEERING STATIONS 126
AUDIO EQUALIZER 125
UP
CORR 116
CORR 127
LOBBY 119
MASTER CONTROL RACK 116
PRODUCTION 121
CONTROL 120
PRODUCTION 117
CONTROL 122
VOICE OVER 134
CORR 128
TALK 114
CONTROL 113
TALK 112
CONTROL 111
TALK 110
CONTROL 115
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CORR 104
UP
TALK 107
CORR 106
CONTROL 105
CORR 103
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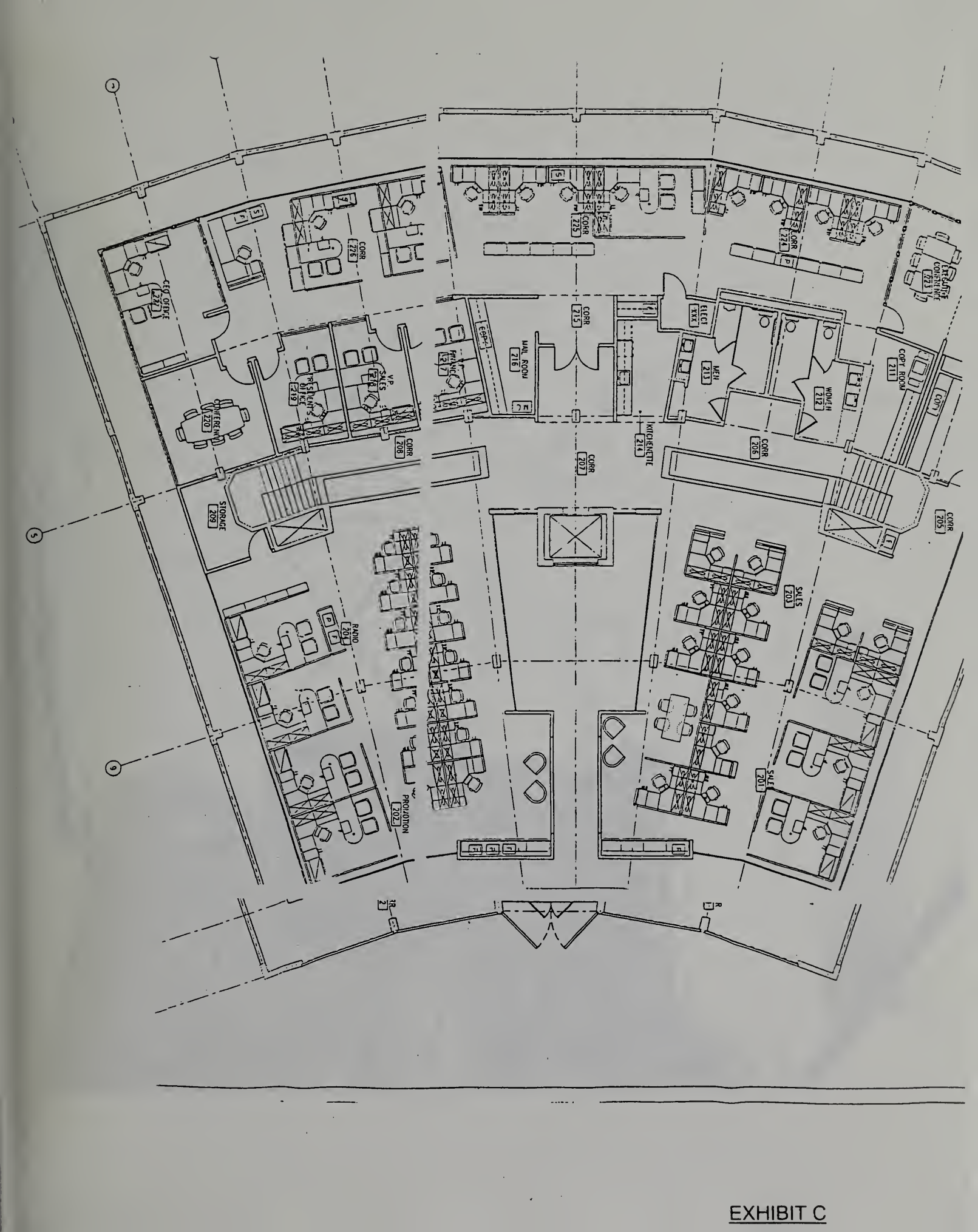
CONTROL 103
CORR 102
CORR 101

EXHIBIT C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CORR 224
CORR 226
CEO OFFICE 227
CORR 215
ELEC XXX
MEN 213
WOMEN 212
COPY ROOM 211
COR
MAIL ROOM 216
EQPT
PRINTING 217
V.P. SALES 218
PRESIDENT'S OFFICE 219
CONFERENCE 220
CORR 208
CORR 207
KITCHENETTE 214
CORR 206
CORR 205
STORAGE 209
SALES 203
RADIO 200
PROJECTION 202
SALES 201
IR 2
R
9
S

EXHIBIT C

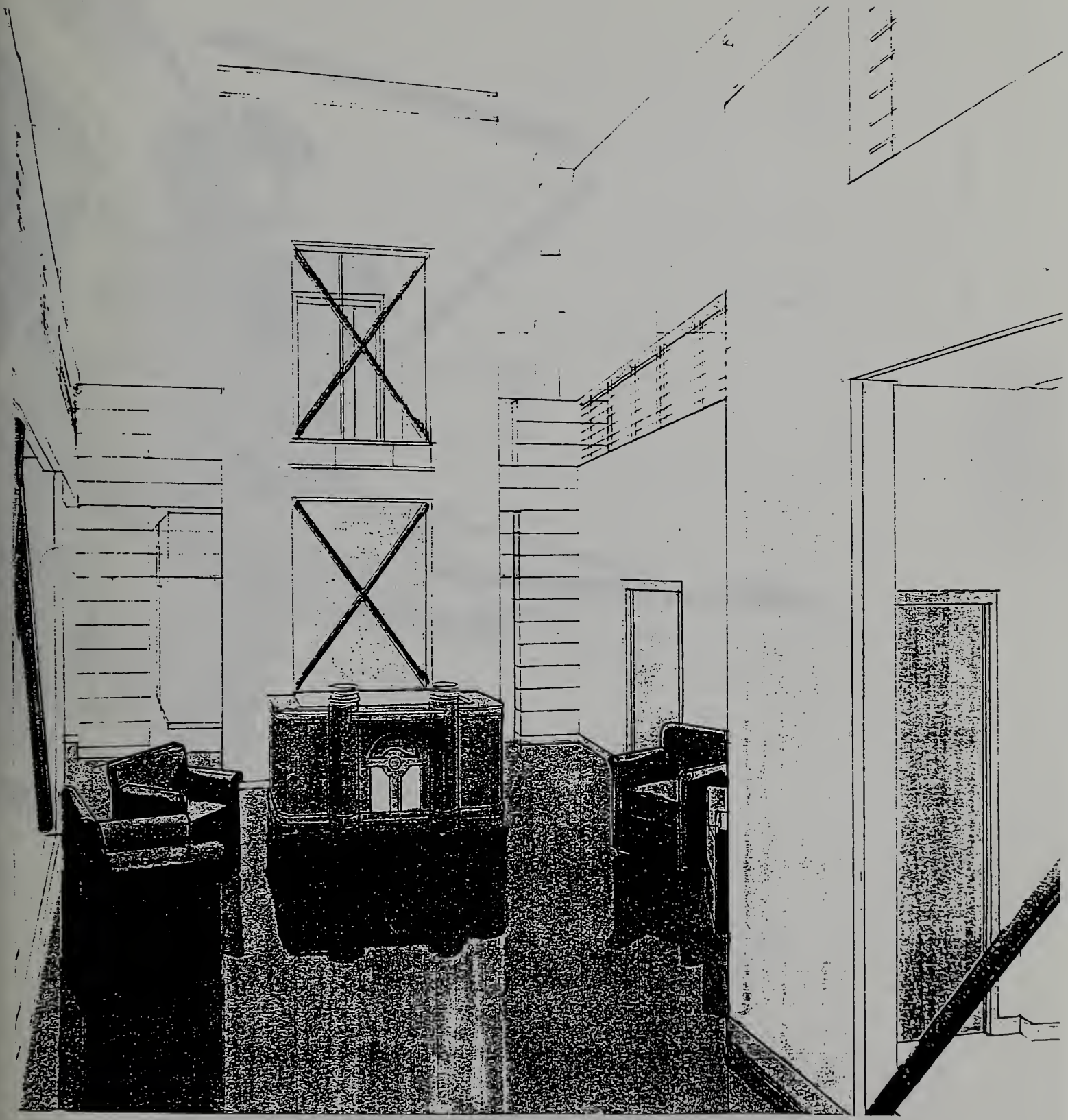


EXHIBIT D

EXHIBIT D

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

October 12, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Issue Request for Proposals (RFP) to Lease 601 Cesar Chavez Street, formerly known as The Pier 80 Inn Restaurant.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

601 Cesar Chavez Street, formerly known as the Pier 80 Inn Restaurant, is a free standing building consisting of approximately 2,255 square feet of interior space and approximately 935 square feet of exterior patio space (see Exhibit A). The property was last operated as a restaurant under Port Lease No. L-7199, which was terminated on April 30, 1996. The building was most recently occupied by Crushcon, Inc. under Port Lease No. L-12509 and used as a construction field office. The Crushcon Lease was terminated on August 31, 1999.

The building is located on Cesar Chavez Street at the entrance to the Pier 80 Container Cargo Terminal Facility. With the increase of maritime business at Pier 80, truckers, ILWU workers and Port Maritime staff have noted that there are no eating establishments within walking distance of the Pier. Port staff believes that there is an opportunity to re-establish a food service business at the Pier 80 Inn site, that can solve this problem as well as create goodwill with the truckers and ILWU workers, revitalize the currently vacant building, create revenues for the Port and offer a business opportunity to the community.

Port Commission policy requires vacant retail leasing opportunities to be competitively bid unless impractical or impossible. Additionally, pursuant to the San Francisco Administrative Code Sections 2.110 and 9.118, any lease with a term of ten or more years, or any lease having anticipated revenue to the Port of one million dollars or more require approval by the Board of Supervisors.

THIS PRINT COVERS CALENDAR ITEM NO. 6B

In compliance with these policies, Port staff proposes to solicit proposals from qualified restaurant operators for the design and renovation of the existing building and operation of a new restaurant adjacent to the Pier 80 container cargo facility. Selection of a restaurant operator and approval of the required lease will be subject to future Port Commission action.

PROJECT OBJECTIVES

The re-development of 601 Cesar Chavez Street should address the following objectives:

1. Provide an inexpensive food services business to serve the Pier 80 container cargo terminal facility and surrounding neighborhood.

2. Create goodwill with the truckers and ILWU workers in the area.

3. Provide for a physical renovation of a currently vacant and under utilized facility.

4. Maximize Port revenue from the site.

5. Offer an affordable business opportunity to the local business community.

PROPOSED RENT AND KEY LEASE TERMS

The actual terms of the lease will be negotiated with Port Staff and will be subject to final approval by the Port Commission and, possibly, the San Francisco Board of Supervisors.

Base Rent
A minimum base monthly rental rate will not be set in the RFP. Instead, the Port will require Respondents to propose a base monthly rate comparable to like situations in the market. Rental adjustments must also be a base comparable to like situations in the market. Rental adjustments must also be proposed. A period of rent abatement for the purpose of constructing improvements may be included.

Percentage Rent
Proposals must also include a Percentage Rent payable to the Port on gross receipts for food, beverages and merchandise. The percentage rent rate is not being dictated by the Port, but should be comparable to like situations in the market.

The higher of the Base Rent or the Percentage Rent would be payable to the Port. In any month in which the Percentage Rent does not exceed the Base Rent, only the Base Rent would be payable to the Port.

Term
Proposals must include a proposed initial term plus option periods, if any, based on the cost of tenant improvements and comparable situations in the market. The initial term of the lease should not exceed 15 years. Additional 5-year options could be available provided that upon each exercise of option, the Base Rent and Percentage Rent would be adjusted upward.

Deposit
Respondents will be required to submit an earnest money deposit of $5,000 along with responses to the RFP.

SELECTION

Port staff would issue a RFP package consistent with real estate industry standards. The package would include a site map, a narrative description of the opportunity, environs, site, Port development objectives, design review and other required regulatory approvals, lease parameters, selection criteria, process and schedule and submittal requirements.

Proposals submitted to the Port would be analyzed to select the most qualified respondent. Selection criteria would include: the experience and reputation of the respondent, the quality of the development concept, the financial viability of the proposal, economic return to the Port and the respondent's demonstrated ability to finance, design, construct and operate a restaurant at the proposed site. Port staff would then negotiate a lease with the selected respondent utilizing the Port's standard lease format. The earnest money deposits will be returned to the bidders not selected.

PROJECTED RFP SCHEDULE

Port Commission Authorization to Issue RFP:	October 12, 1999
Issue RFP:	November 15, 1999
Site Tour for prospective Bidders:	December 15, 1999
Submittal Deadline:	January 10, 2000
Selection of bidder and Lease Negotiations:	January 25, 2000
Port Commission Approval of Lease(est)	February 8, 2000
Board of Supervisors' Approval of Lease (est)	March 8, 2000

ECONOMICALLY DISADVANTAGED BUSINES PARTICIPATION

The Port Commission is interested in encouraging the participation of minority-owned and economically disadvantaged businesses in this RFP opportunity. Staff will consult with the Human Rights Commission and the City Attorney's Office to determine appropriate methods for encouraging participation in the RFP process by small, local, women, economically disadvantaged and minority owned businesses.

The lease would also require that not less than 30% of the construction costs expended by the lease for its Tenant Improvements would insure to the benefit of bona fide MBE, WBE, or DBE Enterprises Certified by the San Francisco Human Right Commission (HRC).

COMMISSION AND BOARD OF SUPERVISORS APPROVAL

The final lease will be presented to the Port Commission and (depending on the term or projected revenue) pursuant to Charter Sections 2.110, 9.118(c) and to the Board of Supervisors of the City and County of San Francisco for approval.

RECOMMENDATION

Port staff recommends that the Commission approve the attached resolution authorizing staff to prepare and offer, through the RFP process, a lease for the development and operation of a restaurant located at 601 Cesar Chavez Street.

Prepared by: Mark W. Lozovoy, Acting Principal Area Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-80

WHEREAS, Charter 3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control and lands within Port jurisdiction; and

WHEREAS, there is a demand for a food service facility at the Pier 80 Container Cargo Facility and in the surrounding neighborhood; and

WHEREAS, Port Commission policy encourages competitive bidding for retail opportunities unless impractical or impossible, and

WHEREAS, the Port Commission now wishes to proceed with the renovation of 601 Cesar Chavez Street and the development of a restaurant to service the Pier 80 Container Cargo Facility and the surrounding neighborhood; now, therefore, be it

RESOLVED, that the Port Commission authorizes staff to offer through a request for proposals and qualifications (RFP) process consistent with real estate industry standards, a lease for 601 Cesar Chavez Street, formerly known as The Pier 80 Inn Restaurant, in accordance with the terms set forth in the Agenda Summary for Item 6B, a copy of which is on file with the Port Commission Secretary.

I hereby certify that the Port Commission at its meeting of October 12, 1999 adopted the foregoing Resolution.

_____
Secretary

G:\WP51\AGEND\Pier 80 Inn Restaurant

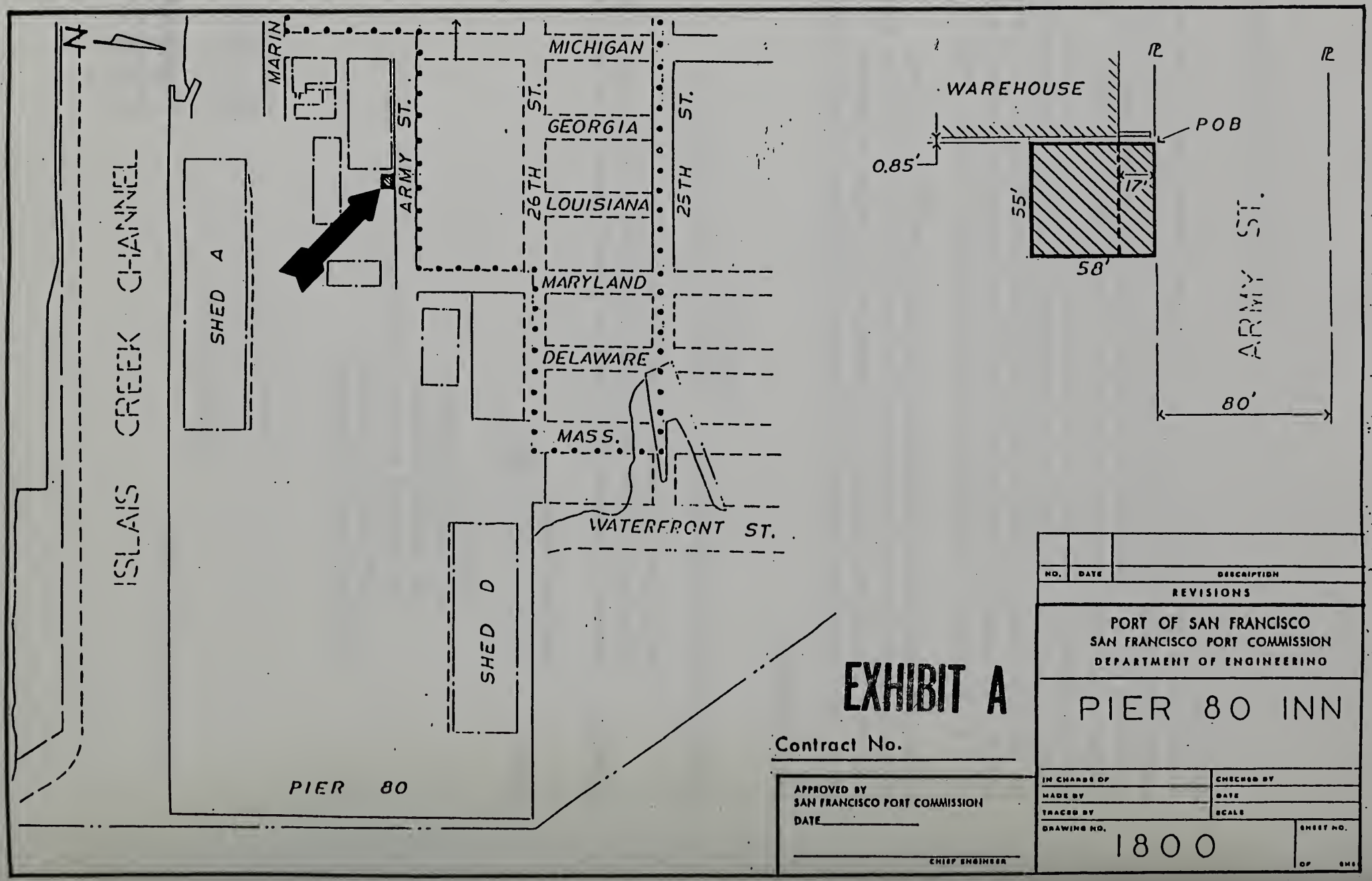


EXHIBIT A

Contract No.

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE

CHIEF ENGINEER

NO.	DATE	DESCRIPTION

REVISIONS

PORT OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION
DEPARTMENT OF ENGINEERING

PIER 80 INN

IN CHARGE OF	CHECKED BY
MADE BY	DATE
TRACED BY	SCALE
DRAWING NO. 1800	SHEET NO. OF SHTS

PORT OF SAN FRANCISCO

MEMORANDUM

October 12, 1999

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

TO: MEMBERS, PORT COMMISSION
Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Exclusive Right to Negotiate Berthing Agreement with Pacific Union Development Company for berthing of the Historic Ocean Liner S.S. Lurline at Pier 35 (The Embarcadero at North Point Street.)

DIRECTOR'S RECOMMENDATION: APPROVE EXCLUSIVE RIGHT TO NEGOTIATE.

BACKGROUND

Pacific Union Development Company, a San Francisco based real estate development firm, is proposing to renovate the former Matson Line ocean liner S.S. Lurline (ex Matsonia, ex Monterey) and berth this historic vessel at the north face of Pier 35 to be operated as a historic ship museum while offering overnight stateroom accommodations and dining venues.

The S.S. Lurline was one of three sisterships built by the Oceanic Steamship Company (Matson Line) between 1930 and 1932 to ply between San Francisco, Honolulu and Sidney. She was built, as were her sisters, by Bethlehem Shipbuilding Corporation and was launched October 10, 1931. For over forty years the vessel sailed from the Port of San Francisco to dozens of destinations world wide. At various times the Matson Line home berthed the S.S. Lurline and her identical sisters at Piers 24, 26, 31, 33 and during her last calls to San Francisco, at Pier 35. The large aerial photograph of the Port in the main hallway of the Port offices clearly shows the S.S. Lurline berthed at Pier 35 during a 1963 call. Now, thirty years later the Port has the opportunity to return this piece of San Francisco history to the Northern Waterfront.

This Print Covers Calendar Item No. 6C

Pacific Union Development Company and Port staff have negotiated the general terms of an Exclusive Right to Negotiate ("E.R.N.") for a Berthing Agreement for the berthing of S.S. Lurline at Pier 35 on the following terms and conditions.

TERM: Six (6) months

COMMENCEMENT DATE: October 15, 1999

TERMINATION DATE: April 14, 2000

NEGOTIATING FEE: $25,000.00

EXTENSION OF TERM: One (1) Six (6) month option period

EXTENSION FEE: $100,000.00

NON-REFUNDABILITY OF NEGOTATING AND EXTENSION FEE: The Negotiating Fee will be refunded if Pacific Union Development Company elects to terminate the ERN prior to February 15, 1999. Thereafter the Negotiating Fee and the Extension Fee will become non-refundable.

NEGOTIATION OF BERTHING AGREEMENT: During the Negotiating Period, Pacific Union Development Company and Port Staff will negotiate the terms of a berthing agreement containing those terms and conditions as outlined in Exhibit A of the E.R.N. and as set forth herebelow.

Principals and Terms of Negotiation

Landlord: Port of San Francisco

Tenant: Pacific Union Development Company dba, Urban Pacific Properties, Inc.

Premises: Approximately 50,000 square feet of water surface area together with a non-exclusive easement for vehicular and pedestrian access over Pier 35 and the north apron and stringer adjacent to said water surface area. Port will agree to maintain water depth sufficient to accommodate the floating in and floating out of the vessel.

Term: Ten (10) years

Option Terms: Five (5) Option periods of ten (10) years each.

Use: Stationary ocean liner providing overnight guest passenger stateroom accommodations, restaurants, nightclub and maritime museum.

Rent:

Base Rent: $100,000 per year beginning when occupancy approval is received from the respective governmental authorities.

Annual Percentage Rent (inclusive of Base Rent):

Year	
1	1% of sales * to $15,000,000, 2% of sales thereafter, 5% of all restaurant sales.
2	2% of sales to $15,000,000, 3% of sales thereafter, 5% of all restaurant sales.
3	3% of sales to $15,000,000, 4% of sales thereafter, 5% of all restaurant sales.
4	4% of sales to $15,000,000, 5% of sales thereafter, 5% of all restaurant sales.
5	5% of sales to $25,000,000, 4% of sales to $30,000,000, 3% of sales thereafter, 5% of all restaurant sales.

*Sales are defined as gross sales less hotel tax and possessory interest tax. At the eleventh lease year and every ten years thereafter, these caps will be adjusted to reflect the change in the CPI from the previous ten-year period.

Rent Credits: For Tenant's actual cost for fender, pier apron, stringer and substructure repairs and for repairs and maintenance of the Pier 35 facility otherwise the obligation of the Port.

Maximum rent credits available to Tenant may not exceed one half (½) of Tenant's annual Base Rent and Percentage Rent obligation to the Port. Unused rent credits will carry forward to following years until fully applied. Unapplied rent credits will not survive the termination of the berthing agreement.

Tenant Improvements: At Tenant's sole cost and expense including those public access related improvements to the Pier 35 facility required as a condition of BCDC approval.

Parking: The Port will approve a validation-based parking arrangement with the Port's operator of the Seawall Lot 313 (bound by Bay, Kearney and the Embarcadero) parking lot. At this time the Port anticipates providing a guaranteed availability of approximately 40 parking spaces. In the future consideration will be given to utilizing Pier 35 for similar public parking.

Shoreside Facilities: The Tenant may use a portion of the Pier 35 shed for a greeting and interpretive center.

Affordable Housing: The Port anticipates an in-lieu contribution to the City's affordable housing program. On-board affordable employee housing may be a part of that contribution.

Regulatory Permits: To be secured by Tenant at Tenant's sole cost and expense with the reasonable cooperation of the Port.

Dredging: The Port will maintain berthing depths at the Premises sufficient to permit the continuous floating of the vessel.

Regulatory Approvals: During the Negotiating Period, Pacific Union Development Company will secure all regulatory approvals including without limitation those of the Office of Environmental Review of the San Francisco Planning Department and Bay Conservation and Development Commission ("B.C.D.C."). The Port will cooperate in securing all required regulatory approvals.

Projected Cash Flow to Port: Based on an assumed Average Daily Rate ("ADR") of $200.00 and anticipating a conservative growth in the occupancy factor of the project, Port staff believes the following cash flow projections.

Projected cash flow to Port

Assumptions
250 rooms @ $200 ADR

Year

1 40% Occupancy
and $4,000,000 in restaurant sales
$ 273,000

2 50% Occupancy
and $5,000,000 in restaurant sales
$ 432,500

3 60% Occupancy
and $6,000,000 in restaurant sales
$ 638,000

Year		
4	70% Occupancy and $8,000,000 in restaurant sales	$ 938,750
5	80% Occupancy and $10,000,000 in restaurant sales	$1,230,000

RECOMMENDATION: Port staff recommends approval of the Exclusive Right to Negotiate with Pacific Union Development Company.

G:\WP51\AGENDAS\ND-Pacific Union Development/ND:VW/

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-81

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manages, regulate and control the lands within Port jurisdiction; and

WHEREAS, Pacific Union Development Company has proposed to renovate, reconstruct and restore the former Matson Line ocean liner S.S. Lurline (ex Matsonia ex Monterey) and berth her at Pier 35 to be operated as a historic ship museum and stationary ocean liner providing overnight guest stateroom accommodations and restaurant venues; and

WHEREAS, Pacific Union Development Company has requested an Exclusive Right to Negotiate a Berthing Agreement for the berthing of the historic ocean liner S.S. Lurline at Pier 35; and

WHEREAS, Port staff and Pacific Union Development Company have negotiated the terms of an Exclusive Right to Negotiate a Berthing Agreement on terms and conditions as outlined in the Memorandum to the Port Commission for Agenda Item 6C of the Port Commission meeting on October 12, 1999, a copy of which agreement was available for public inspection with the Port Commission Secretary; now therefore, be it

RESOLVED, that the San Francisco Port Commission authorizes and directs the Executive Director of the Port ("Executive Director") to execute the Exclusive Right to Negotiate Agreement with Pacific Union Development Company, dba, Urban Pacific Properties, Inc. in such form as may be approved by the City Attorney with the understanding that the final terms and conditions of the Lease and related documents negotiated between Pacific Union Development Company and Port staff during the Exclusive Negotiated Period will be subject to the approval of the Port Commission; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the Exclusive Right to Negotiate that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated by the Exclusive Right to Negotiate, and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery of the Exclusive Right to Negotiate and any such amendments thereto; and be it further

RESOLVED, that prior to considering any approval of a Lease and related documents, any environmental review required under the California Environmental Quality Act (CEQA) will be completed.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 1999.

G:\WP51\AGENDAS\ND-Pacific Union Development/ND:vw/10/6/99

Secretary

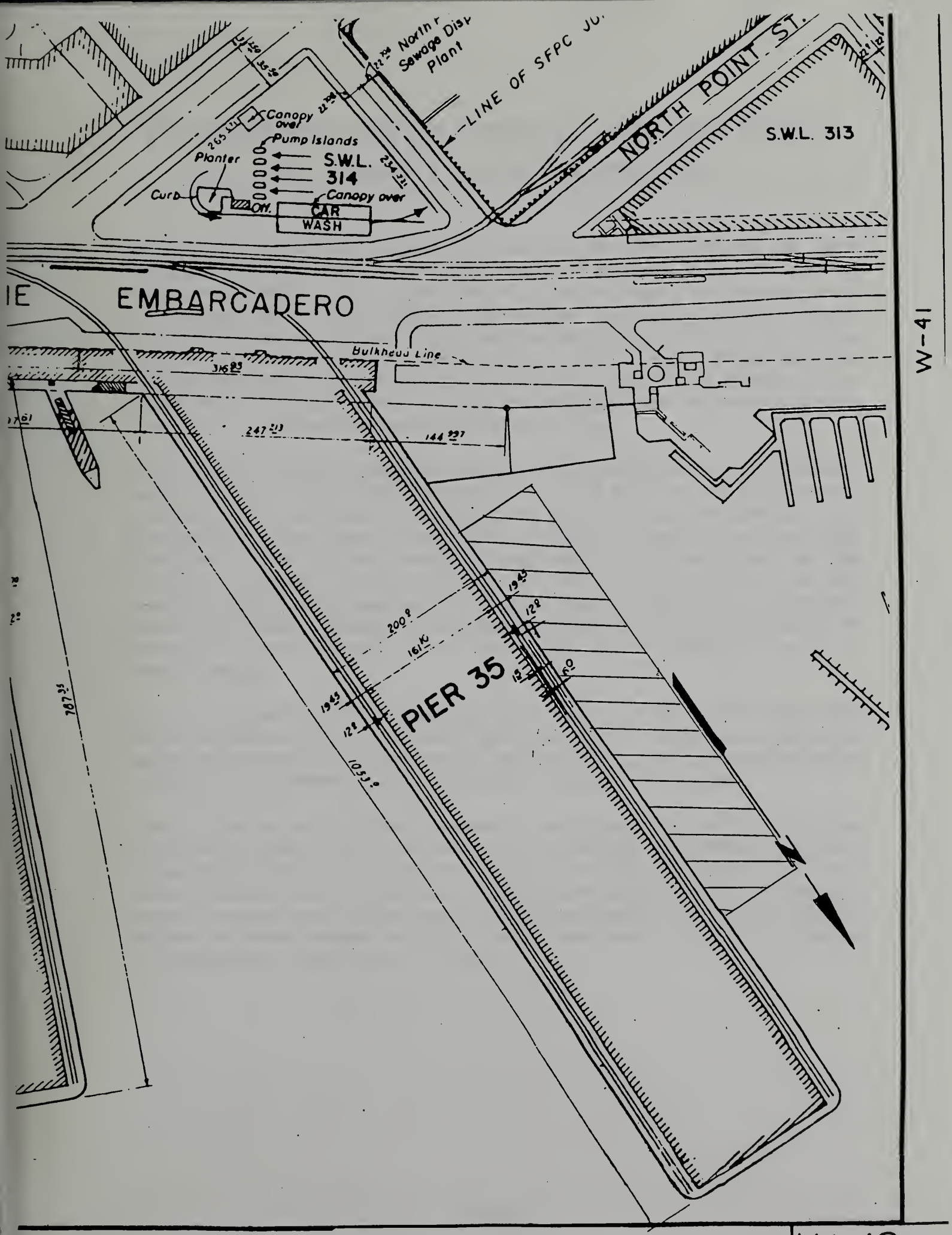


EXHIBIT A

6018 | W-42

PACIFIC UNION DEVELOPMENT COMPANY (PUDC)
DBA URBAN PACIFIC PROPERTIES

Pacific Union Development Company is a local San Francisco diversified real estate development and management company with 25 years of experience in the Bay Area. The company was founded in 1975 to utilize land and existing buildings to meet the various real estate demands of an urban market. The company is primarily involved with the development of unique urban sites. These large and medium-sized projects cover a broad range of projects including an elegant historic hotel, complex urban mixed-use developments, commercial buildings, luxury senior housing, and low- and moderate-income housing. PUDC is currently acting as Development Manager for the San Francisco Museum of Modern Art in building their Garage and Sculpture Garden.

Pacific Union Development Company is a leader in the development of low- and moderate-income housing. Pacific Union Development Company has built and manages many subsidized rental-housing units in the Bay Area as well as the development of for-sale/affordable housing. Most of these affordable housing developments have been within redevelopment areas and have contributed significantly to the revitalization of their respective communities. As President of PUDC, Mr. Callinan's ability to work with government, redevelopment agencies, and community groups has been key to the Company's success in this arena. Another major factor contributing to his success has been the application of innovative financing plans, which in most cases have included the use of tax-exempt financing.

Two major projects Pacific Union Development Company has developed are The Peninsula Regent, a Continuing Care Retirement Community with 207 residences, a health care component and extensive community areas; and Opera Plaza, a unique mixed-use project consisting of 451 residences and 88,000 square feet of office and retail space.

Current projects include the historic renovation of the El Drisco Hotel, a 43-room boutique luxury hotel originally built in 1903, the refit of the Laurel Inn on California and Presidio Avenue from a motel to an inn, the development of 112 homes in Novato on the former location of Hamilton Air Force Base, and the development of the San Francisco Museum of Modern Art Garage and Sculpture Garden in the Yerba Buena area. These current projects represent the broad spectrum of Pacific Union Development Company's development expertise and testify to the company's success.

THOMAS W. CALLINAN, PRESIDENT

Mr. Callinan is the principal and founder of Urban Pacific Properties, Inc., doing business as Pacific Union Development Company. As President of the company, Mr. Callinan is responsible for the creation and management of new development opportunities. Throughout the past two decades, Mr. Callinan has developed numerous properties in the San Francisco Bay Area.

In addition to managing the company's development operations, Mr. Callinan controls the ongoing activities of Urban Pacific Properties Inc.'s management company, which manages approximately 700 low-income, moderate-income, and senior housing units throughout the Bay Area.

Mr. Callinan is currently overseeing the refit of the Laurel Inn, a motel conversion on Presidio Avenue, and also managing the procurement of land, design, and entitlement process for the San Francisco Museum of Modern Art Garage and Sculpture Garden.

Mr. Callinan graduated in 1966 from Marquette University in Milwaukee, Wisconsin, and was a Captain in the U.S. Marine Corps. After serving two years with Catholic Relief Services in Africa as a Program Director, Mr. Callinan joined First Interstate Mortgage Company as Vice President until he founded Urban Pacific Properties in 1975. Mr. Callinan serves as a Trustee for Dominican College and has assisted the college in the development of their new master plan and the design and construction of a new recreation facility.

JOEL I. ROOS, VICE PRESIDENT AND PROJECT MANAGER

Mr. Roos joined Pacific Union Development Company in 1993 as Vice President of Development. He has been responsible for the development of new projects and manages the day-to-day development of those projects.

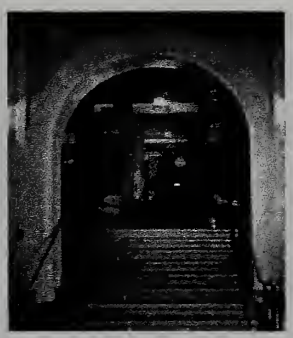
Mr. Roos has been responsible for the development of the 1701 Divisadero Street Medical Office Building, a five-story structure with four levels of below-grade parking; Hamilton Park, a community of 112 townhomes; and the San Francisco Museum of Modern Art Garage and Sculpture Garden. Mr. Roos has over 15 years of development experience and has worked on several historic rehabilitation projects in both Boston and San Francisco. Prior to joining Pacific Union Development Company, Mr. Roos managed the development of a variety of other projects, including high-rise, mixed-use commercial buildings, and single family and multifamily residential complexes. He has worked extensively on the rehabilitation of the El Drisco Hotel and the Laurel Inn.

Mr. Roos is a graduate of Hampshire College in Amherst, Massachusetts, with a Bachelor of Arts in Architectural History. As part of his undergraduate curriculum, Mr. Roos trained at both the Institute for Architecture and Urban Studies in New York and the Boston Architectural Center.

EL DRISCO HOTEL

SAN FRANCISCO, CALIFORNIA

- The El Drisco Hotel is a 43-room luxury hotel that was renovated from an historic 1903 building in Pacific Heights in San Francisco. The building was meticulously restored to its original splendor with the expertise of an historical architect.
- Financing: First Republic Bank
- Architect: Glen Texeira
- Pacific Union Development Company is the developer and managing partner of this project.



LAUREL INN

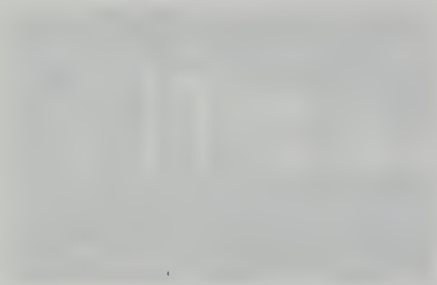
SAN FRANCISCO, CALIFORNIA

- The Laurel Inn is a 49-room 1960's-era hotel that is being refitted to an inn along the Lombard Corridor.
- Financing: First Republic Bank
- Architect: Oren Bronstein
- Pacific Union Development is the developer and managing partner of this project in partnership with R.S. Mariano Interests.

MEADOWOOD RESORT AND SPA

ST. HELENA, CALIFORNIA

- 100 rooms situated on a rural 250-acre preserve, including elegant dining facilities, golf, and croquet lawn, fitness center, and café.
- This luxury spa resort was constructed in the scenic St. Helena Valley, and is a landmark in the community and across the state of California. Architecture complements the mission-style of many of the surrounding communities and wineries.
- Financing:
  - Bank of the West
  - Bank of America
- Pacific Union Company is the developer of this project, and Pacific Union Development Company is a partner.



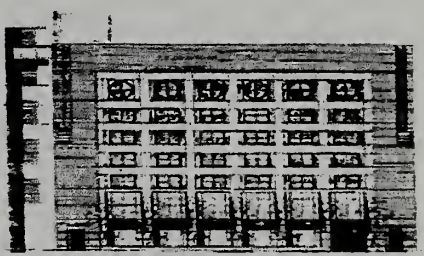
THE PENINSULA REGENT

SAN MATEO, CALIFORNIA

- 207 residential condominiums including 20 Assisted Living Units, with extensive common areas.
- The Peninsula Regent facility consists of 10-story new construction, constructed according to the strict requirements of senior housing and Assisted Living. Also on-site are dining facilities, banquet facilities, indoor pool and spa, library and clubrooms.
- Financing: Wells Fargo Bank
- Architect: Backen, Arrigoni and Ross
- Pacific Union Development Company is the managing general partner and developer of the project.

SAN FRANCISCO MUSEUM OF MODERN ART GARAGE AND SCULPTURE GARDEN

SAN FRANCISCO, CALIFORNIA

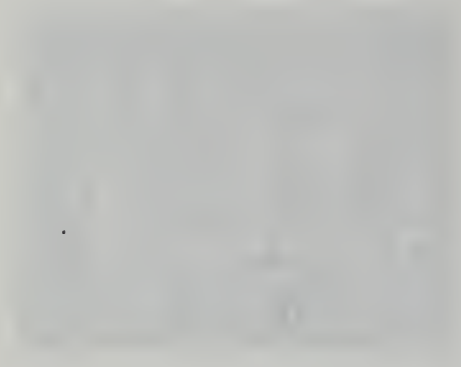


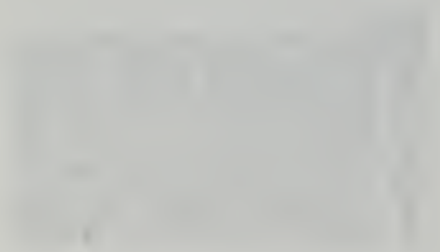
- Seven-story, 410 car parking facility with a roof sculpture garden connected to the San Francisco Museum of Modern Art.
- Financing: Wells Fargo Bank
- Architect: Hornberger Worstell
- Pacific Union Development Company is the development manager for this project.

HAMILTON PARK

NOVATO, CALIFORNIA

- 112 two- and three-bedroom townhomes
- Hamilton Park consists of new construction and the adaptive re-use of the historic Hamilton Air Force Base. Spanish Mediterranean detailing has been integrated into the Townhomes to complement the Historic Main Post and existing architecture.
- Financing: Wells Fargo Bank
- Architect: TWM
- Pacific Union Development Company is the developer of the project.





OPERA PLAZA

SAN FRANCISCO, CALIFORNIA

- Opera Plaza consists of 88,000 square feet of commercial retail and office space, in addition to 450 residential units of new construction located in the Western Addition district of downtown San Francisco. In close proximity to the Opera House, Davies Symphony Hall, City Hall, and the Civic Auditorium, this upscale development spearheaded the revitalization of the neighborhood and the transition of the Van Ness Corridor.
- Financing:
  - Finova Capital (commercial space)
  - Bank of America
  - First Interstate Bank
  - Wells Fargo Bank
  - Union Bank
  - The City of San Francisco Mortgage Revenue Bonds.
- Partner: Pacific Union Company
- Architects: Jorge De Quesada, John Carl Warnecke
- Pacific Union Development Company is the managing general partner and managing partner of this project, and currently manages the commercial space.

UNIVERSITY OF CALIFORNIA MEDICAL OFFICE BUILDING MT. ZION

SAN FRANCISCO, CALIFORNIA

- 1701 Divisadero is a Medical Office Building, consisting of five-stories above grade office space (55,000 square feet) and four levels of below ground parking (66,000 square feet).
- Financing: Wells Fargo Bank
- Architect: Kaplan, McLaughlin, Diaz
- Pacific Union Development Company is the managing general partner and managing partner of this project.

GIFT CENTER AND JEWELRY MART

SAN FRANCISCO, CALIFORNIA

- Adaptive re-use of a circa 1920 Art San Francisco 430,000 square foot paper factory into a thriving wholesale gift and jewelry mart. A dramatic central atrium, which functions as the core of the mart during the day, is one of the City's premier event's venues at night.
- Financing: Crocker Bank
- Architect: Kaplan, McLaughlin, Diaz
- Pacific Union Company is the developer of this project, and Pacific Union Development Company is a partner.

MISSION PLAZA

SAN MATEO, CALIFORNIA

- 132-unit apartment complex in the heart of San Francisco's Mission District. It houses a mix of seniors, families, and disabled individuals.
- Financing:
  - First Interstate Bank
  - San Francisco Redevelopment Agency Tax-Exempt Bonds
- Pacific Union Development Company is the developer and managing partner of this project.

WHARF PLAZA I AND II

SAN FRANCISCO, CALIFORNIA

- 230 units total; 116 in Wharf Plaza 1, 114 in Wharf Plaza II.
- Wharf Plaza I consists of the adaptive re-use of a circa-1920 industrial warehouse into 116 affordable housing units. This HUD Section 8 housing complex is home to senior and physically challenged individuals.
- Wharf Plaza II consists of 114 units of Section 8 affordable housing for families, seniors, and physically challenged individuals.
- Financing:
  - First Interstate Bank
  - Bank of America
  - San Francisco Redevelopment Agency Tax Exempt Bonds
- Architects: TWM and Frank L. Hope Associates
- Pacific Union Development Company is the developer and managing partner of this project.

SAN RAFAEL COMMONS

SAN RAFAEL, CALIFORNIA

- 83 units of Section 8 apartments built in a redevelopment area for elderly and disabled individuals.
- Financing:
  - Wells Fargo Bank
  - Marin Housing Corporation Tax-Exempt Bonds
- Pacific Union Development Company is the developer and managing partner of this project.

PARKVIEW COMMONS

SAN FRANCISCO, CALIFORNIA

- 114 for-sale affordable housing units built in conjunction with BRIDGE Housing Corporation.
- Financing:
  - Wells Fargo Bank
  - The City of San Francisco Mortgage Revenue Bonds
- Partner: BRIDGE Housing Corporation
- Architect: David Baker & Associates
- Pacific Union Development Company is the developer and managing partner of this project, and also provided the equity for the development.

PORT OF SAN FRANCISCO

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MEMORANDUM

October 12, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Landlord's Consent to Assignment of Parking Lease from WCB Twenty-Eight Limited Partnership to The Gap, Inc. at Seawall Lot 328, Located at Spear Street and the Embarcadero

DIRECTOR'S RECOMMENDATION: APPROVE LANDLORD'S CONSENT TO ASSIGNMENT OF PARKING LEASE FROM WCB TWENTY-EIGHT LIMITED PARTNERSHIP TO THE GAP, INC.

BACKGROUND

WCB Twenty-Eight Limited Partnership ("WCB") is a Tenant under Port Lease No. L-10814 for Premises containing 26,793 square feet of land located at Seawall Lot 328. WCB is the successor in interest to JMC Associates Limited Partnership, the original Port tenant under this Lease. The Lease has a forty-year term ending in 2024. The Premises is being used as a support parking lot for an office building located at One Harrison Street. This building is not located on Port property.

The Lease provides that the Port can recover the Premises in the event that it intends to utilize them in connection with the development of Pier 24. Although not specifically stated in the Lease, "Pier 24" includes the Pier 24 Annex.

As part of a sales transaction, the building at One Harrison Street is being sold to The Gap, Inc. ("The Gap"). A condition of the transfer is that the Port consents to an assignment of the parking lot Lease from WCB to The Gap, and that WCB be released of all of its obligations under the Lease. The rent currently being paid to the Port for the Premises is $.54 per square foot per month. This rent is considered to be above market for paved land.

WCB has requested that the Port approves assignment of the Lease to The Gap, in which The Gap assumes the duties and obligations of WCB under the Lease. The Port's Lease with WCB does not permit assignment or subletting of the Lease, except in the case of business restructuring. The Port is prepared to waive this Lease term and consent to the proposed assignment on the condition that The Gap agrees to a provision clarifying that Paragraphs 2 and 6 of the Parking Lease include Pier 24 and Pier 24 Annex.

Staff recommends approval of the assignment of the parking lot Lease, as described above, to The Gap, in a form approved by the City Attorney.

Prepared by: Mark W. Lozovoy, Acting Principal Area Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-82

WHEREAS, Charter 3.581 provides the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section 3.58(g), leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Port's Tenant, WCB Twenty-Eight Limited Partnership ("WCB"), desires to assign all of its right, title and interest in Port Lease No. L-10814 for Premises containing 26,793 square feet of paved land located at Seawall Lot 328 to The Gap, Inc. ("The Gap"); and

WHEREAS, the terms of the Parking Lease do not permit transfer of the Lease except in the case of business restructuring; and

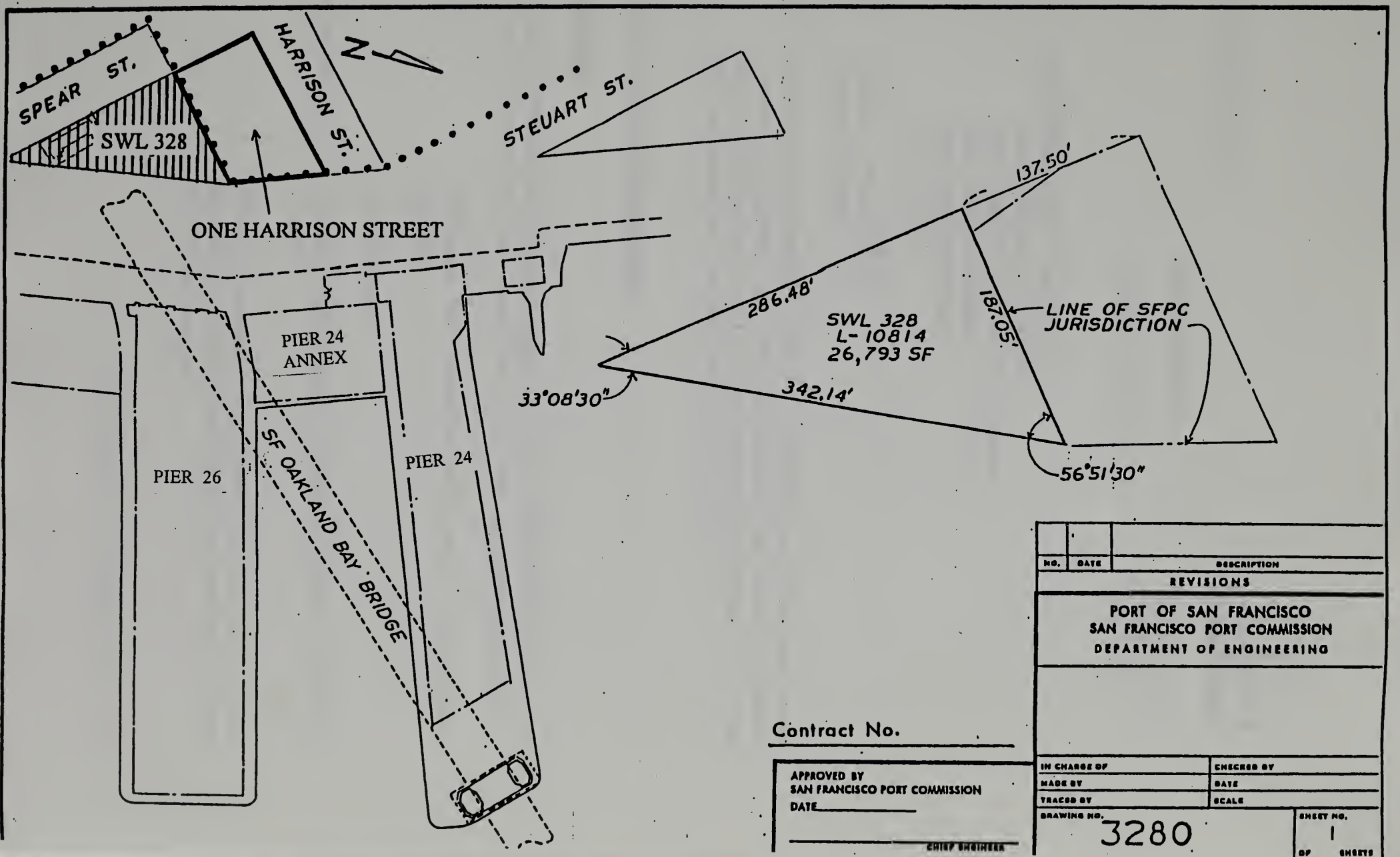
WHEREAS, the Port will consent to the proposed assignment of the Parking Lease on the condition that The Gap agrees to a provision clarifying that Paragraphs 2 and 6 of the Parking Lease include Pier 24 and Pier 24 Annex; and

WHEREAS, upon assignment of the Parking Lease to The Gap, WCB desires to be fully released from all of its obligations under the Lease; now, therefore, be it

RESOLVED, that the Port Commission hereby approves the assignment of Parking Lease from WCB to The Gap, and the release of WCB under the Lease, subject to the express assumption by The Gap of all obligations and liabilities under the Lease, and The Gap's agreement to a provision clarifying that Paragraphs 2 and 6 of the Parking Lease include Pier 24 and Pier 24 Annex, and hereby authorizes the Executive Director of the Port to execute a Consent to Assignment of Parking Lease based on the condition stated above on behalf of the Port in such form as approved by the City Attorney.

I hereby certify that the Port Commission at its meeting of October 12, 1999 adopted the foregoing Resolution.

_____
Secretary



NO.	DATE	DESCRIPTION

REVISIONS

PORT OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION
DEPARTMENT OF ENGINEERING

Contract No.

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE_____

_____
CHIEF ENGINEER

IN CHARGE OF	CHECKED BY
MADE BY	DATE
TRACED BY	SCALE

DRAWING NO. 3280

SHEET NO. 1 OF SHEETS

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MEMORANDUM

October 12, 1999

TO: MEMBERS, PORT COMMISSION
Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution Authorizing Port Director to execute the Assumption, Assignment, Consent to Assignment and Extension Agreement and to execute amended leases in settlement of any and all claims between City Building, Inc. and the Port concerning in re Peer Inn, Case No. 98-31087-TC.

DIRECTOR'S RECOMMENDATION:

BACKGROUND

On December 20, 1996 the Port Commission approved Lease L-12392 between the Port and Peer Inn, Inc. under the Port's Retail Leasing Policy on the following terms and conditions:

Premises:	3503 square feet of restaurant space located in Pier 33 bulkhead building.
Term:	Nine (9) years
Commencement Date:	150 days following receipt of regulatory approvals. (November 1, 1997)
Use:	A full service restaurant, operation of a take out window and sale of in-house signature items (sale of retail items not to exceed 5% of gross receipts.)

This Print Covers Calendar Item No. **6E**

Base Rent: $9,096.40 per month ($2.80 p.s.f.) subject to COLA. During renovation base rent reduced to $2,700 per month ($0.76 p.s.f.).

Percentage Rent: Percentage rent to be offset by base rent and calculated as follows:
a) Full service restaurant and bar sales - 7%
b) Take-out food and beverage sales - 9%
c) Retail merchandise sales - 9%

Maintenance: Tenant responsible for all maintenance to the Premises, including the exterior, but excluding the roof and the pier substructure.

Tenant Improvements: Prior to the first anniversary date of the lease term, Tenant shall expend at least $500,000 on Tenant Improvements to the Premises.

On July 1, 1997 the Lease L-12460 between the Port of San Francisco and Peer Inn, Inc., commenced under the following terms and conditions:

Premises: 3,234 square feet of shed space located in Pier 33, City of San Francisco.

Term: Five (5) years commencing July 1, 1999 and terminating on June 30, 2002.

Base Rent: $1,620.00 per calendar month.

Use: Restaurant, food, linen, supplies and equipment storage, restaurant employee restrooms, restaurant employee break-room, restaurant preparation area, dishwashing room, provide parking and general administrative office in direct support of the adjacent and contiguous restaurant. Retail sales of food and/or beverages may not occur on the Premises.

Peer Inn, Inc. completed renovations and opened for business. Subsequent to opening Peer Inn, Inc. had several liens filed against them by their contractors to include:

- City Building, Inc.
- Nancy Smith
- Rainbow Waterproofing

Current Status and Proposal:

Peer Inn, Inc. filed a chapter 11 bankruptcy (Chapter 11 Case No. 98-31087-IC-11) and City Building, Inc. foreclosed on mechanics lien. City Building, Inc. was given the right to assume Leases L-12392 and L-12460 at the direction of the Bankruptcy Court. City Building, Inc. is not in the restaurant business and therefore has not assumed the leases, but wishes to do so now and concurrently wishes to assign leases L-12392 and L-12460 to an entity known as Bistro Z under the following terms and conditions:

- Bistro Z is an LLC comprised of:

	Name	Title
a)	Seifi Zaki	CEO
b)	Sheila Zaki	CEO
c)	Steven Smith	General Manager

- The termination date for both lease L-12460 and Lease L-12392 shall be extended to October 1, 2009.

- City Building, Inc. and Bistro Z have entered into an asset purchase agreement, pursuant to which Bistro Z has agreed to purchase from City Building, Inc. certain assets and to assume the Lease and perform all obligations under the Lease.

- City Building, Inc. shall be released from any future obligations with reference to Leases L-12460 and L-12392.

- "Improvement Costs" for the purchases of paragraph 4.2 of the Leases shall include (a) the consideration paid Bistro Z to City Building, Inc. under the asset assignment and (b) funds expended by Assignee in the renovation and improvement of the Premises during the period September 1, 1999 and March 1, 2000, provided that such improvements are approved by the Port.

- All rent accruing under the Leases for the months of October, November and December 1999 is forgiven; unless construction is completed and occupancy is authorized at an earlier date.

- Bistro Z will accept the assignment of leases L-12460 and L-12392 and expressly assumes and agrees to be bound by, and to fully and faithfully keep, perform, fulfill and/or discharge, as and when due, all of the terms covenants, conditions and obligations of every kind or nature, whatsoever that are to be kept, performed, fulfilled and/or discharged from and after the assignment as "Lessee," under the Leases, all with the same force and effect as if assignee were the original lessee under the Leases.

- The principals of Bistro Z will personally guarantee Leases L-12460 and L-12392 upon assumption.

Recommendation: Port staff recommends approval of the Assumption, Assignment, Consent to Assignment, and Extension Agreement of Leases L-12392 and L-12460.

\WP51\AGENDAS\ER-City Building/ER:vw/10/6/99/

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-83

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, The Port had leased those certain restaurant premises and adjacent areas consisting of approximately 6772 square feet located on the first floor only, in the bulkhead building at Pier 33, and formerly known as the Samos Restaurant (the "Premises") in the City and County of San Francisco, on the terms, and subject to the conditions, set forth in those certain Lease Agreements dated December 11, 1996 (Lease Number L-12392) and April 28, 1997 (Lease Number L-12460), by and between the Lessor and Peer Inn, Inc., a California corporation; and

WHEREAS, Peer Inn, Inc. filed bankruptcy; and

WHEREAS, Pursuant to an order of the Bankruptcy Court, City Building, Inc. foreclosed on its mechanics lien, and has the right to assume the Leases but has not assumed them; and

WHEREAS, City Building will cure all defaults with respect to the Leases, and exercise its right to assume the Leases; the Port will agree to authorize the assignment to City Building, to extend the term of the Leases, and consent to City Building's assignment of the Leases to Bistro 2; and Bistro 2 will accept the assignment and assume and fully perform all obligations of Lessee under the Leases; and

WHEREAS, City Building, Inc. and Bistro Z have requested that the termination date for Leases L-12392 and Lease L-12460 be extended and share a termination date of October 1, 2009 in order to account for time lost during the preceding default and bankruptcy; and

WHEREAS, Port staff has determined that Bistro Z satisfies the Port's criteria as a restaurant operator and its financial supporters will provide a personal guarantee; now, therefore, be it

RESOLVED, That the Commission authorizes the Port Director to execute the Assumption, Assignment, Consent to Assignment and Extension Agreement upon satisfaction of the conditions precedent in such Agreement, and in substantially the form of such Agreement on file with the Commission Secretary; provided that the Port Director is authorized to execute such Agreement with any additions, amendments or other modifications that the Port Director in consultation with the City Attorney, determines are in the best interest of the City, and do not materially increase the obligations or liabilities of the City.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 1999.

_____
Secretary

\WP51\AGENDAS\ER-City Building/ER:vw/10/6/99/

PORT OF SAN FRANCISCO

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MEMORANDUM

October 5, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Contract No. 2660, Construction of the China Basin Ferry Terminal

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZE STAFF TO AWARD CONTRACT No. 2660, CONSTRUCTION OF THE CHINA BASIN FERRY TERMINAL

The design of a ferry terminal at China Basin and related public access improvement was completed in August of this year. The base bid for this project included a single-berth passenger terminal with accessible gangway, floating platform, entry gates, signage, and utilities. A second berth was included as an alternate bid item. On April 27, 1999, the Port Commission authorized staff to advertise for competitive bids for Contract No. 2660, construction of the China Basin Ferry Terminal.

This project is being funded by a $2,000,000 grant from the Federal Transit Administration (FTA). On July 27, 1999, the Port Commission authorized the Public Transportation Commission to accept and expend FTA funds on behalf of the Port. As the administering agency for the FTA funds, the Public Transportation Department Municipal Railway (Muni) is also responsible for ensuring that the Federal Disadvantaged Business Enterprise (DBE) goals are met.

In order to utilize the $2,000,000 grant, the Port must spend $500,000 in matching funds. The Port's Capital Plan for Fiscal Year 1998/1999 includes $592,000 for the design and construction of shoreline stabilization improvements along the southern bank of the China Basin Channel. These improvements are intended to mitigate any potential degradation of the channel bank caused by ferry boat operations.

This Print Covers Calendar Item No. 7A

On September 23 of this year three bids were received. A summary of these bids is attached. The lowest responsible bidder was Vortex Diving Inc. with a base bid of $1,809,520. Muni's Office of Contract Compliance has reviewed the bid documents and agreed that the DBE subcontracting goals have been met. Staff therefore recommends that the Commission award Contract No. 2660 to Vortex Diving Inc., contingent upon approval by the Board of Supervisors of authorization to expend the FTA funds. Staff also recommends that the Commission authorize a 10% contingency for possible contract modifications and that the Executive Director be authorized to accept the work after it is complete. It is anticipated that the FTA grant will fund the entire cost of this contract.

Prepared by: Cliff Jarrard, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **99-78**

WHEREAS, The Port and China Basin Ballpark Company LLC (CBBC) entered into a Ground Lease, dated November 26, 1997 (the Lease) for the construction of the Pacific Bell Ballpark at China Basin for the San Francisco Giants; and

WHEREAS, Under Section 37.1 of the Lease, the parties agreed to cooperate in good faith in planing the development of ferry service to the leased premises for baseball games and for year-round use consistent with regional ferry service plans and studies and the environmental mitigation measures adopted by the Port Commission; and

WHEREAS, On January 27, 1999, the Port Commission authorized staff to advertise Contract No. 2660 for competitive bids; and

WHEREAS, The Port received a $2 million grant from the US Department of Transportation's Ferry Boat Discretionary Program administered by the Federal Transit Administration (FTA) for the purposes of constructing a ferry terminal at Pacific Bell Park; and

WHEREAS, Staff has reviewed the bid documents and determined that the lowest responsive bidder in Vortex Diving, Inc.; and

WHEREAS, As the administering agency for the FTA funds, the Public Transportation Department is responsible for ensuring that the Federal Disadvantaged Business Enterprise (DBE) goals are met. The Public Transportation Department Office of Contract Compliance has reviewed the bid documents and agreed that the DBE subcontracting goals have been met; and

WHEREAS, It is anticipated that the FTA will fund the entire cost of the project; and

WHEREAS, On June 26, 1997, the City Planning Commission, by Resolution No. 14398, and the Redevelopment Agency Commission, by Resolution No. 97-97, certified the Final Environmental Impact Report for Pacific Bell Ballpark ("FEIR") as accurate, adequate and objective and in compliance with the CEQA and the CEQA Guidelines; and

WHEREAS, This Port Commission has reviewed and considered the information contained the FEIR, which included discussion of the Project for which the construction grant funds would be used; and

WHEREAS, For purposes of compliance with CEQA, the Port Commission, by Resolution No. 97-53, has adopted findings with respect to the FEIR as required by CEQA, which findings are on file the Port Commission Secretary for File No. 97-53, which findings are incorporated herein by this reference as though fully set forth in this resolution; now, therefore, be it

RESOLVED, That based upon the Port Commission's review of the FEIR, the Port Commission hereby finds that: (1) modifications incorporated into the Project will not require important revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the Project is undertaken which would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and (3) no new information of substantial importance to the Project has become available which would indicated: (a) the Project will have significant effects not discussed in the FEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIR would substantially reduce one or more significant effects on the environment; and, be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director to apply for, accept and expend $2,000,000 from the Ferry Boat Discretionary Fund (Section 1207 of the TEA-21) for the construction of a Ferry Terminal at China Basin; and, be it further

RESOLVED, That the San Francisco Port Commission hereby authorizes the award of Contract No. 2660, construction of the China Basin Ferry Terminal; at a cost of $1, 809,520, and authorizes a 10% contingency, pending approval of the San Francisco Board of Supervisors of authorization to expend FTA funds; and be it further

RESOLVED, That the San Francisco Port Commission authorizes the Executive Director to accept the work after it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 12, 1999.

_____
Secretary

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: LJB

Project: China Basin Ferry Terminal
Contract No.: 2660
Project Manager: Leo Bragagnolo

Bids Opened: 9/23/99

		Vortex Diving, Inc. 2900 Main St., Bldg 65 Alameda, CA 94501		Valentine Corporation P.O. Box 9337 San Rafael, CA 94912		Dillingham Construction 5960 Inglewood Drive Pleasanton, CA 94588-8535	
Required Forms	**Page #**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Bid	00400	X		X		X	
Schedule of Bid Prices	00410	X		X		X	
Non-Collusion Affidavit	00480	X		X		X	
Bid Bond	00430	X		X		X	
Addenda Acknowledgement	00432	X		X		X	
List of Subcontractors	00435	X		X		X	
Apprenticeship Program	00465	X		X		X	
Prevailing Wage Certification	00460	X		X		X	
Nondiscrimination in Contracts	00470	X		X		X	
Bidder's Qualification Statement	00450	X		X		X	
Business Tax Reg Declaration	00454	X		X		X	
First Source Hiring	00457	X		X		X	
Certificate regarding Debarment	00482	X		X		X	
Buy America Certificate	FTA-12	X		X		X	
Certification Regarding Lobbying	FTA-13	X		X		X	
Attachment I	DBE-28	X		X		X	
DBE Form 4	DBE-26	X		X[1]		X	
DBE Contractors and Suppliers	DBE-29	X		X[1]		X	
Deemed Responsive by Engin, HRC, & Muni (Y/N) ?		X		X		X	

Notes
1. Bidder filled out incorrect form

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

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MINUTES OF THE REGULAR MEETING
OCTOBER 12, 1999

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 4:03 p.m. Commissioners McCarthy, Michael Hardeman and Pius Lee were present. Commissioners Brandon and McWilliams were not present.

2. APPROVAL OF MINUTES - September 21, 1999 Special & Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; the minutes of the September 21, 1999 Special and Regular Meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

(1) October 18, 1999 – 10 year anniversary of the Loma Prieta Earthquake. There will be a streetcar parade down Market Street at 11:30 a.m. and a celebration at Market & Steuart Streets at 12 noon. The Mayor will be attending.

(2) Fleet Week – Seven ships visited the Bay Area for Fleet Week including the Aircraft Carrier Lincoln. An estimated 80,000 people visited the ships and viewed the air shows over the weekend. A combination of spectacular weather, colorful displays and a fun loving and supportive public made this year's Fleet Week a resounding success.

(3) Passenger Services Act – Veronica Sanchez, Manager of Governmental Affairs, reported that last October 6, the U.S. Senate Commerce Committee, chaired by Senator John McCain heard SB 1510, the proposed legislation to change the Passenger Services Act. This is part of the Port's long-term marketing strategy to open up new cruise market opportunities for the Port. Representatives testifying on behalf of the unions joined them at the witness table. This legislation is a compromise bill to try to change the PSA. They were complimented in their efforts to strike a compromise on the bill. The next step is to bring the bill to a vote in the Commerce Committee before the committee adjourns for the Thanksgiving holiday. Commissioner McWilliams is supportive of the goals of the legislation. The hearing received a lot of press coverage.

Commissioner McCarthy thanked Ms. Sanchez for her dedicated and focused work on the Passenger Services Act.

4. CONSENT CALENDAR

A. Approval of Consent Agreement with Pier 38 Maritime Center, Inc. (Resolution No. 99-84)

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution 99-84 was adopted.

5. MARITIME

6. REAL ESTATE

A. Approval of ten-year lease with Information Network Radio, Inc. for the Roundhouse One Building located at 1500 Sansome Street (Sansome Street at the Embarcadero). (Resolution No. 99-79)

Nic Dempsey, Commercial Leasing Manager, indicated that the Port Commission approved the issuance of an RFP to lease the Roundhouse One Building located at 1500 Sansome Street on August 10, 1999. On August 20, 1999, Port staff issued an RFP to lease the Roundhouse One Building on terms and conditions consistent with those approved by the Port Commission. On Friday, September 17, Port staff received one responsive proposal and one non-responsive proposal. The responsive proposal was from Information Network Radio, Inc. a San Francisco based radio broadcasting and direct satellite digital radio communications firm. The proposed lease with Information Network Radio is an interim lease (less than 15 years) providing for non-trust purpose use. The property can be leased on a short term for a use that will yield maximum profits consistent with the City Charter requirements.

Pursuant to Port Commission policy, a standard allowance via rent credits is permitted once during the term of $2.50 per square foot of leasable area for new paint and new carpeting. Such rent credits would be applied against the monthly rent obligation at a rate not to exceed one half of the monthly Base Rent. A rent credit is available to the Tenant to reimburse the Tenant for its cost to design, purchase and install a dedicated HVAC system serving the Roundhouse One Building. This rent credit shall be equal to the Tenant's actual cost to design, purchase and install the new HVAC System but not greater than $325,000. The rent credit shall be applied against the monthly rent at a rate not to exceed $1/120^{th}$ of such costs or $2,708.00 per month, whichever is the lesser amount.

Andy Watley, Executive Vice President of Information Network Radio, Inc. provided the Commission a brief summary of their company's background and experience.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution 99-79 was adopted.

B. Request for authorization to issue Request for Proposals to Lease 601 Cesar Chavez Street formerly known as the Pier 80 Inn Restaurant. (Resolution No. 99-80)

Paul Osmundson, Director of Planning & Development, indicated that 601 Cesar Chavez Street, formerly known as the Pier 80 Inn Restaurant, is a free standing building consisting of approximately 2,255 square feet of interior space and approximately 935 square feet of exterior patio space. The building was last operated as a restaurant in April 1996 and was most recently used as a construction field office in August 1999. The building is located on Cesar Chavez Street at the entrance to the Pier 80 Container Cargo Terminal Facility. Port Commission Policy requires vacant retail leasing opportunities to be competitively bid unless impractical or impossible. In compliance with these policies, Port staff proposes to solicit proposals from qualified restaurant operators for the design and renovation of the existing building and operation of a new restaurant adjacent to the Pier 80 container cargo facility. Selection of a restaurant operator and approval of the required lease will be subject to future Port Commission action.

Mr. Osmundson indicated that if the Commission authorizes the issuance of an RFP, Port staff will issue the RFP on November 15, 1999. The Port is interested in encouraging the participation of minority-owned and economically disadvantaged businesses in this RFP opportunity. Staff will consult with the Human Rights Commission and the City Attorney's office to determine appropriate methods for encouraging participation in the RFP process by small, local, women, economically disadvantaged and minority owned businesses. The lease would also require that not less than 30% of the construction costs expended by the lease for its tenant improvements would insure to the benefit of bona fide MBE, WBE, or DBE Enterprises Certified by the Human Rights Commission. The final lease will be presented to the Port Commission and to the Board of Supervisors for approval.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution 99-80 was adopted.

C. Approval of Exclusive Right to Negotiate Berthing Agreement with Pacific Union Development Company for berthing of the Historic Ocean Liner S.S. Lurline at Pier 35 (The Embarcadero at North Point Street) (Resolution No. 99-81)

Nic Dempsey indicated that Pacific Union Development Company, a San Francisco based real estate development firm, is proposing to renovate the former Matson Line ocean liner S.S. Lurline (ex Matsonia, ex Monterey) and berth this historic vessel at the north face of Pier 35 to be operated as a historic ship museum while offering overnight stateroom accommodations and dining venues. The Negotiating Fee will

be refunded if Pacific Union Development Company elects to terminate the Exclusive Right to Negotiate (ERN) prior to February 15, 1999. Thereafter the Negotiating Fee and the Extension Fee will become non-refundable.

Tim McAteer, TKM Consulting, thanked Paul Osmundson and Nic Dempsey for their assistance on this project. He provided the Commission copies of Lurline's history and copies of letters sent by Marina Secchitano, Mike Casey, Gunnar Lundeberg, Charlene Clark, Jeff Heller and Flicka McGurrin urging the Commission to approve the ERN.

Bob Blake of the National Maritime Museum, Ernestine Weiss of Golden Gateway Center, Stewart Morton of Russian Hill Improvement Association and Marina Secchitano of Inland Boatmen's Union endorsed the idea of bringing the Lurline back to the San Francisco waterfront and urged the Commission to approve the resolution.

Commissioner McCarthy indicated that this is indeed a great project; however, she is concerned that if the new cruise terminal at Pier 30/32 is not built, there would be a need for Pier 35 to berth cruise ships. She asked if staff have made any accommodations if this situation should occur.

Paul Osmundson replied that there is indeed a possibility that the new cruise terminal at Pier 30/32 would not be completed prior to Lurline's arrival. If Lurline arrives before the terminal is completed, staff will find an alternative and suitable location to the berth ships.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution 99-81 was adopted.

D. Approval of Landlord's Consent to Assignment of Parking Lease from WCB Twenty-Eight Limited Partnership to The Gap, Inc. at Seawall Lot 328 located at Spear Street and the Embarcadero. (Resolution No. 99-82)

Paul Osmundson, Director of Planning & Development, indicated that WCB Twenty-Eight Limited Partnership ("WCB") is a Tenant under Port Lease No. L-10814 for Premises containing 26,793 square feet of land located at Seawall Lot 328. WCB is the successor in interest to JMC Associates Limited Partnership, the original Port tenant under this Lease. The Lease has a forty-year term ending in 2024. The Premises is being used as a support parking lot for an office building located at One Harrison Street. This building is not located on Port property.

The Lease provides that the Port can recover the Premises in the event that it intends to utilize them in connection with the development of Pier 24. Although not specifically stated in the Lease, "Pier 24" includes the Pier 24 Annex.

As part of a sales transaction, the building at One Harrison Street is being sold to The Gap, Inc. ("The Gap"). A condition of the transfer is that the Port consents to

an assignment of the parking lot Lease from WCB to The Gap, and that WCB be released of all of its obligations under the Lease. The rent currently being paid to the Port for the Premises is $.54 per square foot per month. This rent is considered to be above market for paved land.

WCB has requested that the Port approve assignment of the Lease to The Gap, in which The Gap assumes the duties and obligations of WCB under the Lease. The Port's Lease with WCB does not permit assignment or subletting of the Lease, except in the case of business restructuring. The Port is prepared to waive this Lease term and consent to the proposed assignment on the condition that The Gap agrees to a provision clarifying that Paragraphs 2 and 6 of the Parking Lease include Pier 24 and Pier 24 Annex.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution 99-82 was adopted.

E. Resolution authorizing the Port Executive Director to execute the Assumption, Assignment, Consent to Assignment and Extension Agreement and to execute amended leases in settlement of any and claims between City Building, Inc. and the Port concerning Peer Inn, Case No. 98-31087-TC. (Resolution No. 99-83)

Paul Osmundson, Director of Planning & Development, indicated that on December 20, 1996 the Port Commission approved Lease L-12392 between the Port and Peer Inn, Inc. under the Port's Retail Leasing Policy. Peer Inn, Inc. filed a chapter 11 bankruptcy (Chapter 11 Case No. 98-31087-IC-11) and City Building, Inc. foreclosed on mechanics lien. City Building, Inc. was given the right to assume Leases L-12392 and L-12460 at the direction of the Bankruptcy Court. City Building, Inc. is not in the restaurant business and therefore has not assumed the leases, but wishes to do so now and concurrently wishes to assign leases L-12392 and L-12460 to an entity known as Bistro Z.

The termination date for both lease L-12460 and Lease L-12392 shall be extended to October 1, 2009. City Building, Inc. shall be released from any future obligations with reference to Leases L-12460 and L-12392. All rent accruing under the Leases for the months of October, November and December 1999 is forgiven; unless construction is completed and occupancy is authorized at an earlier date. Bistro Z will accept the assignment of leases L-12460 and L-12392 and expressly assumes and agrees to be bound by, and to fully and faithfully keep, perform, fulfill and/or discharge, as and when due, all of the terms covenants, conditions and obligations of every kind or nature, whatsoever that are to be kept, performed, fulfilled and/or discharged from and after the assignment as "Lessee," under the Leases, all with the same force and effect as if assignee were the original lessee under the Leases. The principals of Bistro Z will personally guarantee Leases L-12460 and L-12392 upon assumption.

Commissioner Hardeman commented that he feels comfortable with the settlement since all the parties involved are former Port tenants. Mr. Osmundson concurred that all parties involved have agreed to the settlement.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution 99-83 was adopted.

7. FACILITIES & OPERATIONS

A. Authorization to award Contract No. 2660, "Construction of the China Basin Ferry Terminal." (Resolution No. 99-78)

Leo Bragagnolo, Senior Civil Engineer, indicated that on January 27, 1999, the Port Commission authorized staff to advertise Contract No. 2660 for competitive bids.

The Port received a $2 million grant from the US Department of Transportation's Ferry Boat Discretionary Program administered by the Federal Transit Administration (FTA) for the purposes of constructing a ferry terminal at Pacific Bell Park.

Staff has reviewed the bid documents and determined that the lowest responsive bidder is Vortex Diving, Inc.

This project has been on a compressed schedule in order to meet the goal of providing ferry service for opening day at PacBell Park in April 2000.

Mr. Bragagnolo requested the Commission authorize the award of Contract No. 2660, Construction of the China Basin Ferry Terminal to Vortex Diving, Inc. at a cost of $1,809,520, and authorizes a 10% contingency, pending approval of the San Francisco Board of Supervisors of authorization to expend FTA funds and verification by Muni that the Federal DBE goal of 15% has been met.

Marina Secchitano, IBU Regional Director, indicated that they were under the impression that two floats would be built to accommodate the different size of vessels that will be using the facility and to accommodate the potential traffic at the ballpark. They are concerned that the Port is planning on building just one float at the facility. With such a large investment, she believed that two floats should be built at the same time. She believes that the Port would end up with a bottleneck problem if it does not have two floats and it would discourage operators to use the facility. She hoped that the float would be two sided. The gangway issue is another problem. She supports building an aluminum gangway, an ergonomically, friendly kind of gangway in addition to adequate landing facility.

Mr. Bragagnolo indicated that Port staff solicited input from ferryboat operators on the bay during the design phase to get the issues raised by Ms. Secchitano addressed. Specifically, the ramp that connects from the gangway to the boat would be aluminum. The Port had some fairly unique problems with the China Basin

Terminal. Richmond designed their facility for a specific boat. The Port designed the facility to accommodate all boats on the bay. Because of ADA requirements, Port staff could not design one float to accommodate all the vessels on the bay. The vessels have a freeboard height from a couple of feet above the water to approximately 10 feet above the water. Because of ADA ramp requirements and other restrictions, staff had to split the two floats. One float would handle the low to mid-rise vessels and the second float would accommodate mid-rise to high vessels. One was a base bid and one was an additive item because of shortage of funds. The Port received $2 million of FTA grant funds. Staff hoped to have a contractor build two floats for $2 million but the bids were too high. The Giants are looking into identifying additional sources of funding for the second berth.

Commissioner McCarthy asked if the Port would be able to handle all the boats with just one float. Mr. Bragagnolo replied that with the one float that staff identified it would be able to provide the best service. It would service the mid-rise vessels to high vessels.

With regard to the two-sided floats, Mr. Bragagnolo indicated that the Port is only doing one-sided float because of Coast Guard restriction of having the float against the Portwalk as opposed to having it out to the channel. The Coast Guard prohibits obstruction of the channel. Due to these and other restrictions, the project cost is high.

Commissioner McCarthy asked about the range of the bids. Mr. Bragagnolo replied that the low bid was $1.8 million, the second $2.1 million and the third was $2.3 million. Building a second float would cost another million dollars.

Marina Secchitano indicated that it was her understanding that Golden Gate ferries would be using the second deck. She asked if the Vallejo ferries, Blue & Gold and Red & White fleets will be using the facility. Mr. Bragagnolo replied that the range of vessels that will be accommodated are 60 inches to 120 inches. Golden Gate thus far has expressed the most concrete desire to provide service and they have large vessels. Blue & Gold and Red & White have not indicated in concrete terms they will be providing service at the ballpark. If additional resources are identified, the second float would be built and service would be provided to all types of vessels.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution 99-78 was adopted.

8. PLANNING & DEVELOPMENT

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 5:08 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: Boondocks Restaurant
Person Negotiating: Port of San Francisco: Mark Lozovoy, Commercial Property Manager
*Boondocks: Jim Kennedy

b. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Nice Ventures Inc.: Reed Hearon

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION & POTENTIAL SETTLEMENT MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
_X_ As Defendant _X_ As Plaintiff

b. Discuss Stipulated Settlement Agreement with Specialty Crushing pursuant to subdivision (b) of the California Government Code Section 54956.9. (If Commission takes action on this item, the action will be reported in open session.)

At 5:40 p.m., Commissioners McCarthy, Hardeman and Lee returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:40 p.m.

SAN FRANCISCO PORT COMMISSION

DOCUMENTS DEPT.

OCT 2 1 1999

SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING
4:00 P.M., TUESDAY, OCTOBER 26, 1999
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - October 12, 1999 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

      (1) San Francisco Port's Volunteer Greeter Program

4. **CONSENT CALENDAR**

   A. Approval of First Amendment to P&O Nedlloyd Limited's (Blue Star Line) Marine Terminal Agreement. (Resolution No. 99-85).

5. **MARITIME**

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

   A. Approval to re-advertise for competitive bids Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project." (Resolution No. 99-86)

   B. Authorization to re-advertise for competitive bids Contract No. 2617, "Pier 47A Reconstruction Project." (Resolution No. 99-87)

   C. Authorization to award Contract No. 2660, Construction of the China Basin Ferry Terminal. (Resolution No. 99-88)

8. **PLANNING & DEVELOPMENT**

   A. Resolution of Local Support for Application of State Transportation Improvement Program (STIP) Funding for Construction of the Illinois Street Intermodal Bridge Spanning Islais Creek. (Resolution No. 99-84)

B. Informational Presentation on the conceptual design of Rincon Park located at Folsom and the Embarcadero.

C. Informational Presentation on Pier 1-½, 3 and 5 and the Ferry Building Area Advisory Group.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and Metropolis Partners, Inc. & Polatnick Properties regarding Port property located at Pier 24-½ (Pier 24 Annex).

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
__X__ As Defendant __X__ As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

PUBLIC MEETINGS
OCTOBER/NOVEMBER 1999
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Monday, Oct. 25	5:30 p.m.	Southern Waterfront Advisory Committee	Port Commission Ferry Building
Tuesday, Oct. 26	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Monday, Nov. 8	5:00 p.m.	Southern Waterfront Advisory Group	Port Commission Room Ferry Building
Tuesday, Nov. 9 *(Cancelled)*	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Monday, Nov. 15	5:00 p.m.	Rincon Point South Beach CAC	South Beach Yacht Club Pier 40
Tuesday, Nov. 16	9:00 a.m.	Pier 45 Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Wednesday, Nov. 17 *(Special Meeting)*	3:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Pier 45 Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group does not have any meetings scheduled for November.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website
Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
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www.sfport.com

October 19, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

SUBJECT: APPROVAL OF THE FIRST AMENDMENT TO P&O NEDLLOYD LIMITED'S (Blue Star Line) MARINE TERMINAL AGREEMENT

DIRECTOR'S RECOMMENDATION: APPROVE THE FIRST AMENDMENT TO P&0 NEDLLOYD'S MARINE TERMINAL AGREEMENT THAT ADDS A MUTUAL NON-BINDING ARBITRATION CLAUSE TO THE AGREEMENT

The Port concluded a five-year Marine Terminal Agreement with P&O Nedlloyd (Blue Star Line) which was approved by the San Francisco Port Commission in June of 1998, Resolution No. 98-56. Since that time, P&O Nedlloyd's vessels have been calling at Pier 80 from New Zealand and Australia on a weekly basis.

During the period from June of 1998 to today, P&O Nedlloyd had a change in their management. The new management team has reviewed all of their current terminal contracts and has requested that we add a non-binding mutual arbitration clause to the agreement in order to bring the Port of San Francisco agreement in line with their other terminal contracts at various ports across the United States.

A copy of the amendment is attached hereto.

Prepared by: Peter A. Dailey, Director Maritime Services

This Print Covers Calendar Item No. **4A**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-85

WHEREAS, P&O Nedlloyd entered into a Marine Terminal Agreement with the Port, for use of Port's marine terminal facilities in June of 1998; and

WHEREAS, P&O Nedlloyd desire to amend this agreement by adding a mutual non-binding arbitration clause;

RESOLVED, that the San Francisco Port Commission approves the First Amendment to the Marine Terminal Agreement with P&O Nedlloyd, in substantially the form of which is on file with the Secretary of the Port Commission for this agenda item; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director (i) to enter into the Amendment, (ii) to make any necessary refinements to the Amendment as are approved by the City Attorney; and (iii) to take all such further actions as are necessary to put the Agreements into effect.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 1999.

_____

Secretary

ORIGINAL

FIRST AMENDMENT TO MARINE TERMINAL AGREEMENT

This First Amendment to the non-exclusive Marine Terminal Agreement (the "First Amendment") is entered into as of this first day of October 8, 1999 by and between the City and County of San Francisco, a municipal corporation ("City"), acting by and through the San Francisco Port Commission ("Port") and P&O Nedlloyd Limited, an English Corporation ("Carrier")

WITNESSETH

WHEREAS, Port and Carrier have previously entered into a Marine Terminal Agreement (the "Agreement") dated June 23, 1998; and

WHEREAS, the parties desire to amend the Agreement to include a mutual arbitration clause

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms set forth herein, Port and Carrier agree as follows:

Arbitration

"If either Party alleges that a Default has occurred under this Agreement, the Parties shall attempt to resolve the dispute by good faith negotiations. If either Party believes that the negotiation is not productive, either Party may, at any time, request arbitration under the California Arbitration Act, Code of Civil Procedure Sec. 1280 through 1294.2, before three arbitrators, one chosen by each party and the third chosen by the two arbitrators selected by the Parties (hereafter "Arbiter.").

The Arbiter shall not have the power to add to, subtract from, disregard, modify or otherwise alter the terms of this Agreement. A decision of the Arbiter issued hereunder shall be final and binding upon the Parties, unless a Party files a request for judicial relief with a court of competent jurisdiction with respect to the decision within fifteen (15) working days after the issuance of the Arbiter's decision. If any such request is timely filed, the petitioning Party shall be entitled to de novo judicial review. If no such request is timely filed, judgment upon the Arbiter's decision may be entered in any court of competent jurisdiction.

The Parties shall bear their own cost of good faith negotiations. The losing party in arbitration shall pay the arbitration fees and related costs of arbitration. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Arbiter finds that the arbitration action was instituted or presented in bad faith."

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the day and year first written above.

PORT

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting
by and through the SAN FRANCISCO
PORT COMMISSION

By:_____
Name: Douglas Wong
Title: Executive Director

Date Executed:_____

CARRIER:
P&O Nedlloyd Limited,
an English Corporation

by:
Name: ANDY DAVIDSON.
Title: AVP PROCUREMENT.

Date Executed: Oct 13th 99.

I have read and understood paragraph 7.14 the City's statement urging companies doing business in Northern Ireland to more towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By:_____
Deputy City Attorney

PORT COMMISSION RESOLUTION

No._____

By:_____
Secretary
PORT COMMISSION

PORT OF SAN FRANCISCO

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MEMORANDUM

October 18, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Permission to Re-advertise for Competitive Bids for the Hyde Street Harbor Waterside Improvements Project, Construction Contract No. 2663

DIRECTOR'S RECOMMENDATION: TO APPROVE THE REQUEST FOR PERMISSION TO RE-ADVERTISE FOR COMPETITIVE BIDS FOR CONSTRUCTION OF THE HYDE STREET HARBOR WATERSIDE IMPROVEMENTS PROJECT, CONSTRUCTION CONTRACT NO. 2663

On July 27, 1999, the Port Commission rejected all bids for the Hyde Street Harbor Improvements Project due to a shortfall of funds. In the interim Port Staff has taken aggressive steps to reduce the cost of the project. Port Staff has separated the original project into two distinct contracts: the Hyde Street Harbor Waterside Improvements Project and the Hyde Street Harbor Landside Improvements Project.

The main project elements of the waterside project have not been significantly changed from the original bid documents. The main waterside project components include:

- Harbor consisting of a 60 berth fishing facility.
- Accessible gangway and floating walkways.
- Sewer, bilge and electrical utilities.

Bidders on the original project had placed a substantial mark-up on their marine subcontractors' bids. The Port anticipates receiving more competitive bids for the

THIS PRINT COVERS CALENDAR ITEM NO. 7A

waterside project directly from marine contractors. Also, the Port has removed dredging from the scope of work. Dredging has been performed as part of the Port's Maintenance Dredging contract and is being funded from the Hyde Street Harbor Project funds.

Port Staff with the assistance of their Consultant is in the process of performing value engineering to reduce the landside project costs. The results of the landside value engineering, to date, are listed below:

- Relocate the new landside utility facility operations into the existing blue shed building located along Hyde Alley and eliminate the need for a new building. This will substantially reduce the cost of providing the required bathrooms, trash area, storage space, mechanical room, and electrical room.

- With the elimination of the proposed utility building, the new parking/open space area has been shifted to the south. This reduces the quantity of new fill and mitigates the height of the required new retaining walls. This also eliminates a proposed new wood pier. These scope revisions will generate significant cost savings.

The Bay Conservation and Development Commission has approved the permit for the original project and Port Staff is in the process of amending this permit to reflect the division of the original project into waterside and landside projects and to reflect the other scope changes. We anticipate receiving an Army Corps of Engineers permit by the end of December. In addition, the Mayor's Citywide Coordinator for Disability Access, the Fisherman's Wharf Advisory Committee, and the Environmental Quality Advisory Committee have approved the project design. The Port Commission previously accepted responsibility to manage a loan and grant from the Department of Boating and Waterways in the amount of $3,900,000 for the design and construction of the Hyde Street Harbor improvements. Port funds are also being used to fund the project. The Port will add $1,130,000 of its own funding to the project.

The current engineer's cost estimate for the waterside construction is $1,830,000.

Staff requests permission to advertise Contract 2663, "Hyde Street Harbor Waterside Improvements Project" for competitive bids. We will advertise the landside portion of this project under a separate contract, before which we will request Commission approval.

Prepared by: Joe Roger
Structural Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-86

WHEREAS, on June 27, 1999, Resolution No.99-59, the Port Commission authorized Port Staff to reject all bids for the construction of Hyde Street Harbor Improvements Project due to insufficient funding; and

WHEREAS, Port Staff has separated the project into two projects, Hyde Street Harbor Waterside Improvements Project, and Hyde Street Harbor Landside Improvements Project; and

WHEREAS, the available funding balance for both the landside and waterside projects is nearly $5,000,000; and

WHEREAS, Port Consultant's current cost estimate for the landside project's construction, including a reasonable contingency is $1,830,000; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port Staff to Re-advertise for Competitive Bids for Contract 2663, "Hyde Street Harbor Waterside Improvements Project."

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26,1999.

_____
Secretary

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PORT OF SAN FRANCISCO

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www.sfport.com

MEMORANDUM

October 19, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to re-advertise for Competitive Bids for the Pier 47A Reconstruction Project, Contract No. 2617

DIRECTOR'S RECOMMENDATION: TO AUTHORIZE PORT STAFF TO RE-ADVERTISE FOR COMPETITIVE BIDS THE PIER 47A RECONSTRUCTION PROJECT, CONTRACT NO. 2617.

On June 17, 1998, the Port Commission authorized the rejection of all bids for Contract No. 2617, for the "Pier 47A Reconstruction Project" due to insufficient funding to accept any bids. The available funding for the project at that time was $812,379. Since then, the scope of this project has been revised to reduce cost and add the required accessibility. The revised project includes a smaller area pier, a float at the end of the pier, and a path of travel from Jefferson Street to the site.

On August 25, 1998, the Port Commission approved the 1998/99 Capital Plan which added $498,000 to the Pier 47A budget. In September 1998, the Port Maintenance crew demolished the existing Pier 47A, eliminating a hazardous facility and reducing the scope and cost of the reconstruction project. On November 4, 1998, the Port Commission authorized Port staff to re-advertise for competitive bids for the Pier 47A Reconstruction Project. Due to additional disability access requirements the Port was not able to proceed with the advertisement of the project at that time.

In the meantime, the project was re-designed to include two disability access components and to reduce construction costs. Two additional components added to the project: a steel float at the end of the pier to serve disabled fishermen, and a path of travel from Jefferson

This Print Covers Calendar Item No. 7B

Street to the project site. The length of the pier was reduced from 226 feet to 62 feet. Under the current scope of the project, the Port has estimated the construction cost to be $1,290,000. This cost estimate includes a 10% contingency factor. Available funding is $1,297,394.00. To assure that the project will proceed into construction, the project has been separated into a base bid component with alternate additive components. The construction of 62' pier is the base bid item. The additive components are resurfacing work in alley, disability access pathway work, additional pier bents, and the float/gangway. Alternates bid items will be included in the project as the budget permits. The Port will also be able to add work to the project at a later time, up to 2 months after the notice to proceed, when and if additional funds become available. This project is the subject of a capital project request for fiscal year 1999-2000 in the amount of $250,000 to perform path of travel work. Approval of this capital project request is pending.

Since the project has changed significantly since the Port Commission last approved a re-advertisement of the contract, Port staff presents this new request at this time. Staff recommends that the Commission authorize re-advertisement of Contract No. 2617.

Prepared by: Victor Yew
Project Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-87

WHEREAS, on May 21, 1998, the Port received seven bids for Contract No. 2617, the "Pier 47A Reconstruction Project," all of which exceeded the available construction budget; and

WHEREAS, on June 17, 1998, the Port Commission authorized the rejection of all bids for Contract No. 2617, "Pier 47A Reconstruction Project" due to insufficient funding to accept the lowest bid; and

WHEREAS, on August 25, 1998, the Port Commission approved the 1998/99 Capital Plan which added $498,000 to the Pier 47A budget; and

WHEREAS, in September of this year, the Port Maintenance staff demolished the existing Pier 47A, eliminating a hazardous facility and reducing the scope and cost of the reconstruction project; and

WHEREAS, the scope of the project has been re-designed to reduce construction costs and to include required disability access components; and

WHEREAS, the amount of funding now available for this project is expected to be sufficient for the estimated construction costs; and now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes the re-advertisement of Contract No. 2617, for the "Pier 47A Reconstruction Project."

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 1999.

_____
Secretary

I:\ CLIFF\Commission\AGD-2617rebid_b

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

October 19, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Contract No. 2660, For Construction of the China Basin Ferry Terminal To Valentine Corporation

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZE STAFF TO AWARD CONTRACT No. 2660, FOR CONSTRUCTION OF THE CHINA BASIN FERRY TERMINAL TO VALENTINE CORPORATION

In August of this year, Port Staff and outside consultants completed the design of a ferry terminal at China Basin and related public access improvements. The base bid for this construction project includes a single-berth passenger terminal with accessible gangway, floating platform, entry gates, signage, and utilities. A second berth was included as an alternate bid item. On April 27, 1999, the Port Commission authorized staff to advertise for competitive bids for Contract No. 2660, for construction of this project, known as the China Basin Ferry Terminal.

The Federal Transit Administration (FTA) is contributing to the funding of this project with $2,000,000. On July 27, 1999, the Port Commission authorized the San Francisco Public Transportation Commission to accept and expend these FTA funds on behalf of the Port. As the administering agency for the FTA funds, the Public Transportation Department Municipal Railway (Muni) is also responsible for ensuring that the FTA Disadvantaged Business Enterprise (DBE) subcontracting goals are met.

In order to utilize the $2,000,000 FTA grant, the Port must contribute $500,000 in matching funds towards related improvements. The Port's Capital Plan for Fiscal Year 1998/1999 includes $592,000 for the design and construction of shoreline stabilization improvements along the southern bank of the China Basin Channel. These improvements are intended to mitigate any potential degradation of the channel bank caused by ferry boat operations.

This Print Covers Calendar Item No. 7C

On September 23 of this year three bids were received. A summary of these bids is attached. The lowest bidder was Vortex Diving Inc. with a base bid of $1,809,520. Muni's Office of Contract Compliance and Port staff have reviewed the bid documents and determined that Vortex Diving's bid is non-responsive for failure to meet the FTA DBE goals, and the qualifications requirements of the Port. The second lowest bidder is Valentine Corporation, with a base bid of $2,082,950. Muni has reviewed Valentine Corporation's bid and has determined that they be found responsive. Staff therefore recommends that the Commission authorize the award of Contract No. 2660 to Valentine Corporation, contingent upon the Board of Supervisors' authorization to expend the FTA funds. Staff also recommends that the Commission authorize a 10% contingency for a total contract price of $2,291,245 and further authorize the Executive Director to accept the work after it is complete.

Prepared by:

Leo Bragagnolo
Senior Civil Engineer,

for

Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-88

WHEREAS, The Port and China Basin Ballpark Company LLC (CBBC) entered into a Ground Lease, dated November 26, 1997 (the Lease) for the construction of the Pacific Bell Ballpark at China Basin for the San Francisco Giants; and

WHEREAS, Under Section 37.1 of the Lease, the parties agreed to cooperate in good faith in planning the development of ferry service to the leased premises for baseball games and for year-round use consistent with regional ferry service plans and studies and the environmental mitigation measures adopted by the Port Commission; and

WHEREAS, The Port has received a $2 million grant from the US Department of Transportation's Ferry Boat Discretionary Program administered by the Federal Transit Administration (FTA) for the purposes of constructing a ferry terminal at Pacific Bell Park; and

WHEREAS, On January 27, 1999, the Port Commission authorized staff to advertise Contract No. 2660 for competitive bids for the construction of the ferry terminal at the Park; and

WHEREAS, Staff has received 3 bids for Contract No. 2660, and determined that the lowest responsive, responsible bidder is Valentine Corporation; and

WHEREAS, As the administering agency for the FTA funds, the San Francisco Public Transportation Department is responsible for ensuring that the Federal Disadvantaged Business Enterprise (DBE) goals are met. The Public Transportation Department Office of Contract Compliance has reviewed the bid documents and determined that Valentine Corporation has satisfied the DBE subcontracting goals; and

WHEREAS, FTA has agreed to fund $2,000,000 of the project's cost, with the Port contributing $300,000 in capital funds; and

WHEREAS, That the Port Commission previously authorized the San Francisco Public Transportation Commission to apply for, accept and expend $2,000,000 from the Ferry Boat Discretionary Fund (Section 1207 of the TEA-21) for the construction of a Ferry Terminal at China Basin on behalf of the Port; and

WHEREAS, On June 26, 1997, the City Planning Commission, by Resolution No. 14398, and the Redevelopment Agency Commission, by Resolution No. 97-97, certified the Final Environmental Impact Report for Pacific Bell Ballpark ("FEIR") as accurate, adequate and objective and in compliance with the CEQA and the CEQA Guidelines; and

WHEREAS, This Port Commission has reviewed and considered the information contained the FEIR, which included discussion of the Project for which the construction grant funds would be used; and

WHEREAS, For purposes of compliance with CEQA, the Port Commission, by Resolution No. 97-53, has adopted findings with respect to the FEIR as required by CEQA, which findings are on file the Port Commission Secretary for File No. 97-53, which findings are incorporated herein by this reference as though fully set forth in this resolution; now, therefore, be it

RESOLVED, That based upon the Port Commission's review of the FEIR, the Port Commission hereby finds that: (1) modifications incorporated into the Project will not require important revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the Project is undertaken which would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and (3) no new information of substantial importance to the Project has become available which would indicated: (a) the Project will have significant effects not discussed in the FEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIR would substantially reduce one or more significant effects on the environment; and, be it further

RESOLVED, That the San Francisco Port Commission authorizes the award of Contract No. 2660, for construction of the China Basin Ferry Terminal to Valentine Corporation, Inc. at a cost of $2,082,950, plus a 10% contingency, pending approval of the San Francisco Board of Supervisors to expend FTA funds; and be it further

RESOLVED, That the San Francisco Port Commission authorizes the Executive Director to accept the work after it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 1999.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM
October 26, 1999

Ferry Building
San Francisco, CA 94111
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www.sfport.com

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Port Commission Resolution of Local Support for Application of State Transportation Improvement Program (STIP) Funding for Construction of the Illinois Street Intermodal Bridge Spanning Islais Creek.

DIRECTOR'S RECOMMENDATION: ADOPT THE ATTACHED RESOLUTION OF LOCAL SUPPORT FOR STATE TRANSPORTATION IMPROVEMENT FUNDING

BACKGROUND:

The Port has envisioned the construction of the Illinois Street Intermodal Bridge over Islais Creek Channel since the two Marine Container Terminals at Pier 80 and Pier 94-96 were upgraded and modernized. The proposed bridge is intended to enhance the Port's maritime cargo activity by improving the efficiency of rail service to and from the North Cargo Terminal at Pier 80 and improve the efficiency of rail and truck travel between Pier 80 and the South Cargo Terminal at Piers 94-96. The bridge will have a single railroad track running down the center and two outside lanes for vehicle traffic.

Since there is no commercial vessel traffic now or envisioned in the future at the west-end of Islais Creek, the Illinois Street Bridge is proposed to be a Lift-Segment Movable Bridge. The center movable span can be removed by crane and stored on two reinforced concrete piers adjacent to the bridge. The bridge is only intended to be opened to allow passage of infrequent maintenance vessels and barges.

The estimated development costs for the bridge is $7.1 Million. Catellus Development Corporation, developers of Mission Bay, has committed $2.5 Million toward the construction of the bridge if the Port secures funding for the balance. The Port Commission has previously approved the Illinois Street Bridge as an unfunded project in the Capital Plan. Port staff has previously informed the Commission that staff would seek Federal and/or State transportation funding to assist with development costs.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

Port staff has submitted an application for $4 Million for State Transportation Improvement Program (STIP) funding. The application must be approved at three levels: the San Francisco County Transportation Authority (SFCTA), the Metropolitan Transportation Commission (MTC), and the California Transportation Commission (CTC).

On September 27, 1999, the SFCTA approved the $4 Million application. The MTC will review applications in November 1999. MTC requires that project sponsors (Port Commission) approve a Resolution of Local Support for the funding application. The attached Resolution of Local Support is based on an MTC template that meets their requirement for such a resolution.

The approval of the attached Resolution would document the Commission's support of the project and does not constitute an action to construct the bridge. Construction would commence only after detailed engineering and environmental review requirements have been met.

Should the Port be successful at the MTC and CTC approval levels, the Port Commission will be asked to include the Illinois Street Intermodal Bridge in a subsequent Capital Plan as an Approved Funded Project. The estimated capital cost will likely be between $600,000 and $1 Million to cover the balance of all design, engineering, environmental and construction costs not covered by the STIP funding and Catellus funding. Environmental review for construction of the bridge has commenced as a component of the current Southern Waterfront Supplemental Environmental Impact Report. The bridge construction can not commence until the environmental document has been certified.

Project Need and Benefit

The proposed bridge will reduce the rail distance to the North Terminal at Pier 80. Presently, the rail distance from the main rail line near Rankin Street to Pier 80 is approximately 3.3 miles. Trains must travel northbound on the main rail line, eastbound near 16th Street and finally southbound along Illinois Street to Pier 80. After construction of the bridge, the same trip will be approximately .66 miles, since the Quint Street Rail Link will be used (see location map). The shorter rail route will take far less time, since there will be fewer street grade crossings and less reliance on the street right of way. Traffic hazards and conflicts between railcars, automobiles, bicycles and pedestrians will also be reduced.

The bridge will improve the efficiency of rail travel between the North and South Cargo Terminals since it will reduce the rail distance between the Terminals from approximately 4 miles to approximately .2 miles. The bridge will provide direct rail link between Pier 80 and the Intermodal Container Transfer Facility (I.C.T.F.) near Cargo Way. The I.C.T.F. allows a direct transfer of cargo between ship and rail without an intermediate truck transfer.

The Port has seen increasing interest from prospective maritime tenants that wish to locate at Pier 80 and intend on using rail service. These tenants foresee the benefits of improved rail efficiency if the Illinois Street Intermodal Bridge is built. Nippon Shario is a company that constructs passenger rail cars for Cal Train. They will locate at Pier 80 and transport the manufactured cars by rail.

RMC Lonestar, a cement batch plant presently located on Third Street in Mission Bay, wishes to relocate to Pier 80. RMC intends to have cement delivered by rail, while sand and aggregate are delivered by barge. Presently, all cement, sand and aggregate deliveries to the Third Street location are by truck. RMC estimates that up to 20,000 long haul delivery truck trips per year could be eliminated if rail and barge transport could be used.

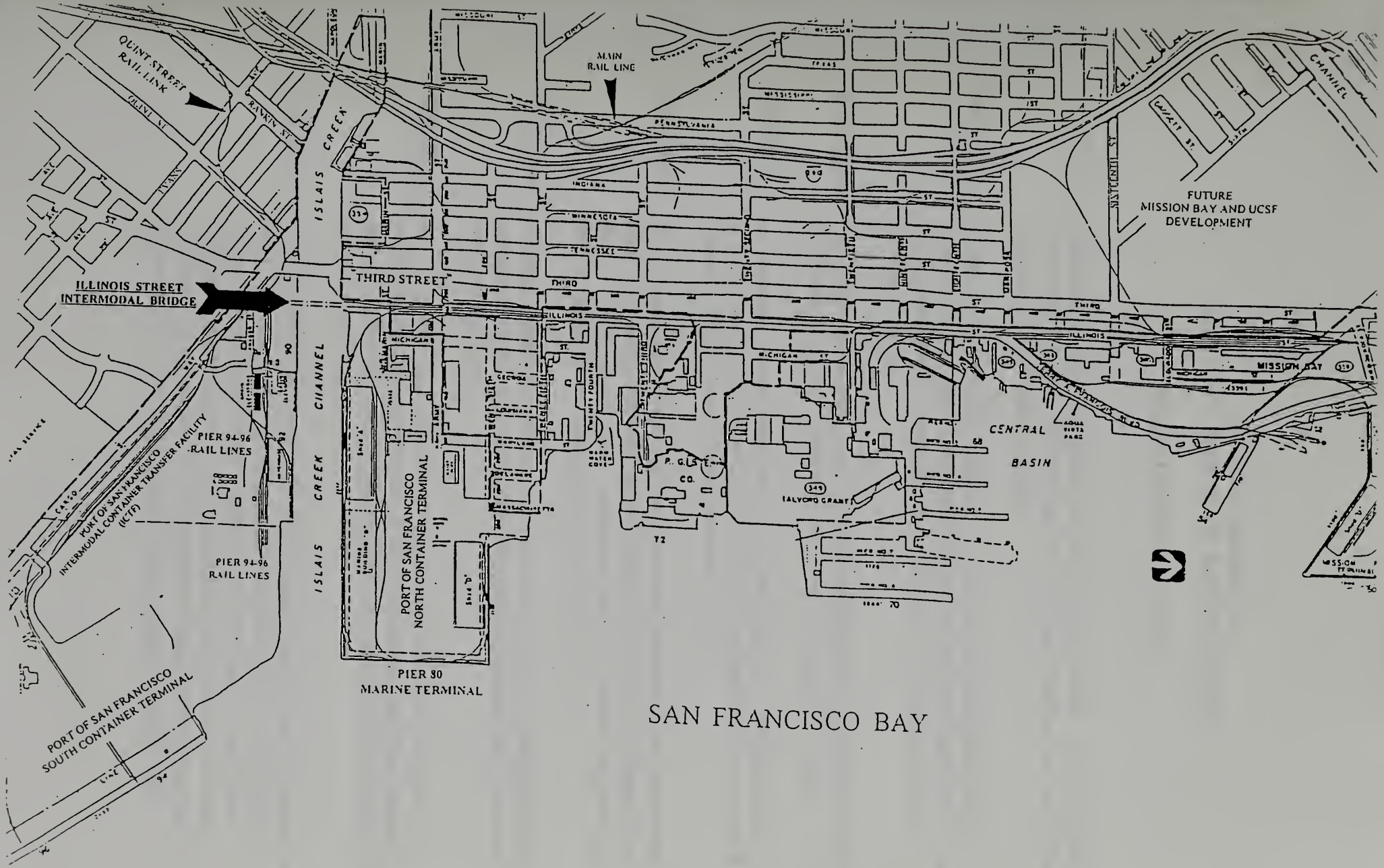
Short-haul truck travel between the North and South Terminals will also be improved, since drivers will not have to utilize the heavily traveled and congested Third Street corridor. Congestion on Third Street will be impacted even more in the near future after MUNI's Third Street Light Rail Line project is completed. Reducing short-haul and long-haul diesel truck trips will improve air quality in the immediate area and the Bay region.

The Illinois Street Intermodal Bridge will greatly benefit development of the recently approved Mission Bay and UCSF projects, since the16th Street rail link and switchback rail lines at the north end of Illinois Street will be eliminated. If the bridge is not built, the rail link must be relocated directly within the 16th right-of-way and the switchback rail lines must be relocated within the Terry Francois Boulevard right-of-way. This rail condition would impact these important City projects by negatively affecting the level of service at key intersections in Mission Bay and causing grade crossing conflicts with the future Third Street Light Rail project. The proposed Research and Development uses would be negatively affected from vibrations caused by heavy rail traffic. The future open space along the eastern shoreline would also be diminished with the inclusion of switchback rail lines.

The elevation of the proposed lift-segment bridge over Islais Creek Channel would be similar to the nearby draw-bridge on Third Street. This elevation will allow canoes, kayaks, and low profile vessels to pass under the bridge in its down position. A small public boat dock was recently constructed west of the Third Street drawbridge through the efforts of Friends of Islais Creek and the City's Public Utilities Commission. This boat dock is used to hand-launch canoes and kayaks. The proposed Illinois Street Lift-Segment Bridge would not conflict with its use.

The City Fire Department has indicated that emergency fireboat access would not be necessary to the west-end of Islais Creek because an underground Auxiliary Water Supply System for fire fighting purposes is incorporated into the project.

Prepared by: Paul Osmundson
Director of Planning and Development


QUINT STREET RAIL LINK
MAIN RAIL LINE
ISLAIS CREEK
FUTURE MISSION BAY AND UCSF DEVELOPMENT
ILLINOIS STREET INTERMODAL BRIDGE
THIRD STREET
ISLAIS CREEK CHANNEL
PIER 94-96 RAIL LINES
PORT OF SAN FRANCISCO INTERMODAL CONTAINER TRANSFER FACILITY (ICTF)
PIER 94-96 RAIL LINES
PORT OF SAN FRANCISCO NORTH CONTAINER TERMINAL
PIER 80 MARINE TERMINAL
PORT OF SAN FRANCISCO SOUTH CONTAINER TERMINAL
CENTRAL BASIN
SAN FRANCISCO BAY

ILLINOIS STREET INTERMODAL BRIDGE

Port of San Francisco

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-84

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, the Port of San Francisco intends to construct an intermodal bridge to enhance the Port's maritime cargo activity by providing improved rail and truck connections between the Port's Southern and Northern Marine Terminals; and

WHEREAS, this bridge would span Islais Creek and be located at the southern terminus of Illinois Street, both of which are within Port jurisdiction; and

WHEREAS, the estimated development costs of this bridge is $7.1 Million and the Port of San Francisco wishes to apply for State Transportation Improvement Program (STIP) funds to assist in these costs; and

WHEREAS, the approval the approval of this Resolution documents the Commission's support of the project and does not constitute an action to construct the bridge. Construction would commence only after detailed engineering and environmental review requirements have been met; and

WHEREAS, environmental review for construction of the bridge has commenced as a component of the current Southern Waterfront Supplemental Environmental Impact Report; and

WHEREAS, SB 45 (Chapter 622, Statutes 1997) substantially revised the process for estimating the amount of state and federal funds available for transportation projects in the state and for appropriating and allocating the available funds to these projects; and

WHEREAS, as part of that new process, the Metropolitan Transportation Commission (MTC) is responsible for programming projects eligible for Regional Improvement Program funds, pursuant to Government Code Section 14527(b), for inclusion in the Regional Transportation Improvement Program, and submission to the California Transportation Commission, for inclusion in the State Transportation Improvement Program; and

WHEREAS, MTC has requested eligible transportation project sponsors to submit applications nominating projects to be programmed for Regional Improvement Program funds in the 2000 Regional Transportation Improvement Program; and

WHEREAS, applications to MTC must be submitted consistent with procedures, conditions, and forms it provides transportation project sponsors; and

WHEREAS, the Port of San Francisco is a sponsor of transportation projects eligible for Regional Improvement Program funds; and

WHEREAS, Part 2 of the project application, attached hereto and incorporated herein as though set forth at length, lists the project, purpose, schedule and budget for which the Port of San Francisco is requesting that MTC program Regional Improvement Program funds for inclusion in the 2000 Regional Transportation Improvement Program; and

WHEREAS, Part 3 of the project application, attached hereto and incorporated herein as though set forth at length, includes the certification by the Port of San Francisco of assurances required by SB 45 in order to qualify the project listed in Part 2 of the project application for programming by MTC; now, therefore, be it

RESOLVED, that the Port of San Francisco authorizes its Executive Director or his designee to execute and file an application with MTC to program Regional Improvement Program funds into the 2000 Regional Transportation Improvement Program, for the projects, purposes and amounts included in the project application attached to this resolution; and further be it

RESOLVED, that the Port of San Francisco approves the assurances set forth in Part 3 of the project application, attached to this resolution; and be it further

RESOLVED, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the Port of San Francisco's application referenced herein.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 26, 1999.

_____
Secretary

Part 2

STIP
STATE TRANSPORTATION IMPROVEMENT PROGRAM
Project Nomination Fact Sheet (Page A-1)

(All Dollars in Thousands and Escalated)

Project Information — Fact Sheet Date: 10-7-99

County	Caltrans District	STIP No. *	EA *	Region ID *	Rural (R) / Urbanized(U)	Route/ Corridor *	PM / KP Back *	PM / KP Ahead *
San Francisco	4				U		PM: KP:	PM: KP:

Legislative Districts:	Senate: 3	Congressional: 8	
	Assembly: 13		
Project Sponsor:	Port of San Francisco		
Implementing Agency:	Port of San Francisco		
Project Title:	Illinois Street Intermodal Bridge		

* NOTE: STIP No and EA assigned by Caltrans. Region ID assigned by MPO/RTPA. Route/Corridor and PM/KP Back/Ahead used for State Highway System and Interregional Rail projects.

Location and Project Limits (Include Attached Maps)

The proposed bridge will span Islais Creek which is located at the southern terminus of Illinois Sheet in San Francisco, approximately 3 miles south of the San Francisco Bay Bridge.

Description and Scope of Work

See attachment

Transportation Problem to be Addressed by Project and Description of Project Benefits - (brief)

See attachment

Total Project Component Costs (Dollars in Thousands and Escalated)

Component	Existing Other * Funding (Non-STIP Share)		Existing STIP (Current RIP and IIP STIP Programming)		New RIP Funding (New added RIP)		New IIP Funding (New added IIP)		New Other Funding (Non-STIP Share)		dditional Need* (Funding Needs not yet Committed)		Total Project Cost
	FY (yy/yy)	$ Amount	FY (yy/yy)	$ Amount	FY (yy/yy)	$ Amount	FY (yy/yy)	$ Amount	FY (yy/yy)	$ Amount	FY (yy/yy)	$ Amount	$ Amount
PA&ED					00/01	500,000							
PS&E					01/02	500,000							
R/W ENG *													
CON ENG *													
R/W													
CON	02/03	3.1 Mil			02/03	3. Mil							
TOTAL		3.1 Mil				4. Mil.							7.1 Mil

* NOTE: R/W ENG and CON ENG to be used for projects implemented by Caltrans Only - see CTC STIP Guidelines for additional information. Fiscal Year (FY) to be shown in yy/yy format

**** Expected Source(s) of Additional Funding Necessary to Complete Project - as Identified Under 'Additional Need'**

Special Funding Conditions or Terms (If any, including State-Only funding designation and explanation) - (brief)

* • Port of San Francisco will approve $600,000+/- in Capital Budget funds for this project.
• Catellus Development Corporation, developers of Mission Bay, have committed $2.5 Million toward construction of the bridge as a condition of their Development Agreement.

Project Schedule

Milestone	FY Quarter *	Fiscal Year (yy/yy) *	Milestone	FY Quarter *	Fiscal Year (yy/yy) *
Project Study Report (PSR) Complete	1	99/00	Start R/W Activities/Acquisition	4	99/00
Start Environmental Studies	3	99/00	R/W Certification	2	00/01
Circulate Draft Environmental Document	3	00/01	Advertise Construction (Ready to List)	3	01/02
Final Environmental Document Complete	4	00/01	Start Construction (Award)	1	02/03
Begin Design Engineering	4	99/00	Start Rolling Stock Acquisition (if applicable)		
Final Plans, Specs & Estimates	2	01/02	Project Completion (Open for Use)	4	03/03

* NOTE "FY Quarter" is Fiscal Year (FY) quarter starting July 1. Fiscal Year (FY) to be displayed in yy/yy format.

Project Manager (Person responsible for delivering the project within cost, scope and schedule)

Name: Cliff Jarrard — Agency: Port of San Francisco — Phone: 415 274-0544
E-Mail: Cliff_Jarrard@SFPORT.COM — Mail Address: Ferry Bldg. S.F. CA. 94111 — Fax:

VER RM-09-95

NOTE: The CTC STIP Guidelines should have been read and understood prior to preparation of the STIP Fact Sheet, with particular attention to sections 37 - 62.

2000 STIP
STATE TRANSPORTATION IMPROVEMENT PROGRAM
Project Nomination Fact Sheet - Funding (Page B-1)
(Dollars in Thousands and Escalated)

Fund Sheet Date: 10-7-99

County	CT District	STIP No.*	EA *	Region ID *	Implementing Agency
San Francisco	4				Port of San Francisco
Project Title:	Illinois Street Intermodal Bridge				

* NOTE: STIP No. and EA assigned by Caltrans. Region ID assigned by MPO/RTPA.

Total Project Cost (as proposed)

Component	Prior	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08 and Beyond	Project Total
PA&ED		500,000								
PS&E			500,000							
R/W ENG (CT) *										
CON ENG (CT) *										
R/W										
CON				6.1 Mil						
TOTAL		500,000	500,000	6.1 Mil						7.1 Mil

Comments:

Existing RIP Funds (as currently programmed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Proposed RIP Funds (new and/or exisiting as proposed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED		500,000				
PS&E			500,000			
R/W ENG (CT) *						
CON ENG (CT) *						
R/W				3. Mil		
CON						
TOTAL		500,000	500,000	3. Mil		4. Mil

Existing IIP Funds (as currently programmed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Proposed IIP Funds (new and/or exisiting as proposed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Existing 'STIP Grandfathered' Funds (as currently programmed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

* NOTE: R/W ENG and CON ENG to be used only for projects implemented by Caltrans - refer to CTC STIP Guidelines

Proposed 'STIP Grandfathered' Funds (as proposed in STIP)

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

The CTC STIP Guidelines and a template of this STIP funding sheet are available at: http://www.dot.ca.gov/hq/transprog/stip.htm

VER. RM-03/99

2000 STIP
STATE TRANSPORTATION IMPROVEMENT PROGRAM
Project Nomination Fact Sheet - Funding (Page B-2)
(Dollars in Thousands and Escalated)

Date: 10-7-99

County	CT District	STIP No.	EA	Region ID	Implementing Agency
San Francisco	4				Port of San Francisco
Project Title:	Illinois Street Intermodal Bridge				

Existing Non-STIP Funding - Contributor 1

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON				2.5 Mil		
TOTAL				2.5 Mil		

Comments:
Funding Agency: Catellus Dev. Corp.
Fund Source:
Catellus Development Corporation, developers of Mission Bay, have committed $2.5 Mil. toward construction of the bridge as a condition of their Development Agreement.

Proposed Non-STIP Funding - Contributor 1

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON				600,000		
TOTAL				600,000		

Funding Agency: Port of San Francisco
Fund Source: Capital Budget
The Port of San Francisco will approve $600,000 in Capital Budget funds for this project.

Existing Non-STIP Funding - Contributor 2

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Funding Agency:
Fund Source:

Proposed Non-STIP Funding - Contributor 2

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Funding Agency:
Fund Source:

Existing Non-STIP Funding - Contributor 3

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Funding Agency:
Fund Source:

* NOTE: R/W ENG and CON ENG to be used only for projects implemented by Caltrans - refer to CTC STIP Guidelines

Proposed Non-STIP Funding - Contributor 3

Component	Prior	00/01	01/02	02/03	03/04	Total
PA&ED						
PS&E						
R/W ENG (CT) *						
CON ENG (CT) *						
R/W						
CON						
TOTAL						

Funding Agency:
Fund Source:

* NOTE: Each Non-STIP Contributing Agency and Fund Source must be identified separately. Use additional sheets for additional committed Non-STIP fund sources.

Additional Funding Needs (funding needs not yet committed)

Component	Prior	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08 and Beyond	Project Total
PA&ED										
PS&E										
R/W ENG (CT) *										
CON ENG (CT) *										
R/W										
CON										
TOTAL										

The CTC STIP Guidelines and a template of this STIP funding sheet are available at: http://www.dot.ca.gov/hq/transprog/stip.htm

VER RM-03/99

Project Application Part 3:
CERTIFICATION of ASSURANCES

The project sponsor certifies that the project for which Regional Improvement Program funding is requested meets the following project screening requirements. Please initial each.

1. The project is eligible for consideration in the RTIP. Pursuant to Streets and Highways Code Section 164 (e), eligible projects include improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety.
2. A Project Study Report (PSR) or PSR equivalent has been prepared for the project.
3. The project budget included in Part 2 of the project application reflects current costs updated as of the date of application and escalated to the appropriate year.
4. The project is included in a local congestion management program (CMP). (Note: For those counties that have opted out of preparing a CMP in accordance with Government Code Section 65088.3, the project must be consistent with the capital improvement program adopted pursuant to MTC's funding agreement with the countywide transportation planning agency.)
5. Each of the project components will be delivered in the year proposed.
6. The project is fully funded.
7. The project sponsor agrees to be available for an audit of STIP funds, if requested.

The project sponsor also agrees to abide by all rules and regulations applying to the State Transportation Improvement Program (STIP), and to follow all requirements associated with the funds programmed to the project in the STIP.

These include, but are not limited to:

1. Environmental requirements: NEPA standards and procedures for all projects with Federal funds; CEQA standards and procedures for all projects programmed with State funds.
2. California Transportation Commission (CTC) requirements for transit projects, formerly associated with the Transit Capital Improvement (TCI) program. These include rules governing right-of-way acquisition, hazardous materials testing, and timely use of funds.
3. Federal Transit Administration (FTA) requirements for transit projects as outlined in FTA regulations and circulars.
4. Federal Highway Administration (FHWA) and Caltrans requirements for highway and other roadway projects as outlined in the Caltrans Local Programs Manual.
5. Federal air quality conformity requirements, and local project review requirements, as outlined in the adopted Bay Area Conformity Revision of the State Implementation Plan (SIP).

PORT OF SAN FRANCISCO

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MEMORANDUM

October 21, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation on the Conceptual Design for Rincon Park.

DIRECTOR RECOMMENDS: NO ACTION REQUIRED.

I. BACKGROUND

The Rincon Park Site ("Park Site") is located within the Rincon Point Subarea of the Rincon Point/South Beach Redevelopment Project Area, as designated in the Rincon Point-South Beach Redevelopment Plan. The Park Site is adjacent to a 20,000 square foot restaurant site ("Rincon Park Restaurant Site"). The Port is currently negotiating with Nice Ventures, Inc. for the development of the Rincon Park Restaurant Site.

The Port and Redevelopment Agency entered into an Agreement to Lease the Park Site in 1995 which sets forth a process for the design of the Park Site, including the review and approval process. The Agency is responsible for preparing the design drawings for the park. The Agency and the Gap, Inc. entered into a Disposition and Development Agreement for development of an office site across from the park in which the Gap, Inc. agreed to design and construct the park at a cost up to $2 million.

II. PARK DESIGN

The proposed park design includes a gently sloping lawn facing the water and landscaped areas adjacent to the roadway. A bermed area is proposed adjacent to The Embarcadero to separate park users from the roadway and provide a gently sloping lawn area that faces the Bay. The tallest portion of the berm reaches about 7-feet above the roadway. Seat walls are provided at the edges of the lawn area in the park and along the Embarcadero Promenade adjacent to the water.

This Print Covers Calendar Item No. 8B

A sculpture entitled "Cupid's Span" and consisting of a bow and arrow partially buried within the ground is proposed for the main lawn area directly across the roadway from the Gap headquarters. The project designers have described the sculpture as a fiberglass and steel structure reaching a height of about 60-feet and evoking several images including a ship at sea and forms of the Bay Bridge beyond.

The Park design proposes to encompass the adjacent Rincon Park Restaurant Site, which includes two restaurants and an outdoor plaza area. The two full-service restaurants would total 11,700 square feet and have a building height of 17-feet. There also would be a 300 square foot food kiosk located along The Embarcadero at the Folsom Street intersection. There would be a drop-off zone for the restaurants along The Embarcadero but no parking on the site.

II. PARK DESIGN AND APPROVAL PROCESS

The Port and Redevelopment Agency's 1995 Agreement sets forth a process for review and approval of the park. The final design drawings will be submitted for approval to a Design Review Body that consists of a quorum of the Agency and the Port Commissions respectively. A portion of the Park Site lies within the shoreline band jurisdiction of the San Francisco Bay Conservation and Development Commission ("BCDC"), therefore a permit from BCDC is required.

On September 9, 1999, the Port and Agency staff met with the design team and representatives of the Planning Department, a Port design advisor, and some members of the Waterfront Design Advisory Committee to seek additional comments on the design. Public review of the preliminary design drawings is already underway, beginning with a presentation to the Rincon Point-South Beach Citizens Advisory Committee ("CAC") on September 22, 1999 and a CAC subcommittee meeting on October 4, 1999. BCDC's Design Review Board reviewed the design on October 18, 1999.

The CAC subcommittee is scheduled to meet again with the park design team on November 1, 1999.

III. INFORMATIONAL PRESENTATION

Preliminary design drawings of the Park Site prepared by the Olin Partnership are attached hereto. This is an informational item.

Prepared by: Paul Osmundson
Development Project Coordinator

PORT OF SAN FRANCISCO

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MEMORANDUM

October 20, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Advisory Group for Ferry Building Area

This matter is before you as an informational item. No action by the Commission is required.

We are expanding the scope of the Advisory Group selected last year for the Ferry Building Renovation Project, in order to include within their responsibilities other facilities within the Ferry Building Area. As outlined in the Waterfront Land Use Plan, an Advisory Group's purpose is to provide early professional expertise and community input in the conceptualization of Port projects. This Advisory Group will be most helpful as we work to prepare and issue future developer Requests For Qualifications or Proposals in this area. The next such developer request is planned for Piers 1½ - 3 – 5, where marginal wharf conditions are deteriorating and warrant repair.

We were fortunate in selecting the original Ferry Building Advisory Group to be able to include individuals with demonstrated expertise and experience in the San Francisco waterfront, retail and office development and operations, historic preservation, ferry and other boating operations, and provision of public access. A list of those Advisory Group members is attached. We understand those individuals still in San Francisco are willing to continue their participation. Where an individual has left town, e.g., David Bahlman of San Francisco's Architectural Heritage, we have asked Heritage for another nominee to this Advisory Group. Meetings of the Advisory Group will be open to the public.

Prepared by: Paul Osmundson, Director
Planning & Development

THIS PRINT COVERS CALENDAR ITEM NO. 8C

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Ferry Building Advisory Group Roster

David Bahlman
Foundation for San Francisco's Architectural Heritage
2007 Franklin Street
San Francisco, CA 94104

Anne Halsted
1308 Montgomery Street, #2
San Francisco, CA 94133

Herb Lembcke
Sony Development
150 – 4th Street, Suite 500
San Francisco, CA 94103

Jane Morrison
44 Woodland Avenue
San Francisco, CA 94117

Bill O'Connor
O'Connor & Associates
351 California Street, Suite 600
San Francisco, CA 94104

Marina Secchitano
Inland Boatmen's Union of the Pacific
450 Harrison Street
San Francisco, CA 94105

Julia Viera
Friends of Islais Creek Channel
6 Hillview Court
San Francisco, CA 94124

Don Wyler
Gerson Bakar Associates
201 Filbert Street, Suite 700
San Francisco, CA 94133

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SAN FRANCISCO
PORT COMMISSION

OCTOBER 26, 1999
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
OCTOBER 26, 1999

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 4:03 p.m. Commissioners Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee were present.

2. APPROVAL OF MINUTES - October 12, 1999 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; the minutes of the October 12, 1999 regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

(1) Heron's Head Park Dedication: The park was dedicated on October 21, 1999. Mayor Willie Brown, Assembly Speaker Kevin Shelley, Supervisor Sue Bierman, other dignitaries, and community leaders attended the dedication ceremony. It was a festive event, attended by over 300 people. The Mayor praised the wetland project and thanked the Port for its good stewardship of the waterfront. He thanked Veronica Sanchez, Renee Dunn and Carol Bach for organizing the event.

Mr. Wong congratulated Carol Bach, Manager of Environmental & Safety Section, who will be awarded the Managerial Excellence Award for Efficiency for her project management work on Heron's Head Park. The award is sponsored by the Mayor's Fiscal Advisory Committee. The award ceremony is scheduled for tomorrow at the Westin St. Francis Hotel. Carol is one of only five City managers selected for this year's award. Carol is a hardworking, dedicated, & innovative employee.

(2) Port of San Francisco/Shanghai/Osaka Sister Port Conference: He thanked Port Commissioners and Port staff for their time and effort during the conference. There were 16 delegates from the Port of Osaka and 4 from the Port of Shanghai. The delegates were excited to see the waterfront developments. He thanked Jill Simpson, Peter Dailey and Maritime staff for organizing the successful event.

Commissioner McCarthy thanked Carol Bach for her perseverance on the Heron Head Park project and thanked Renee Dunn and Veronica Sanchez for organizing the event.

(3) Commendation for the San Francisco Port's Volunteer Greeter Program: Peter Dailey, Maritime Director, indicated that when the Dawn Princess sailed from Pier 35 two weeks ago, it concluded the Port's 1999 cruise season. A special component of the Port's cruise operation is the Volunteer Greeter Program. This is the sixth year that the Port's group of volunteer ambassador of the cruise concierge program has been in existence. Since its existence, the volunteers have greeted over half a million people. They are a group of people who love San Francisco and love its maritime tradition and spent their time and money coming to the cruise terminal, greeting passengers and answering questions to give visitors a good first impression of San Francisco.

Mr. Dailey introduced Gerry Roybal, the Port's Cruise Marketing Manager and Denise Turner, Cruise Operations Wharfinger. Mr. Roybal thanked the Commission for honoring the volunteers who play a very important role in helping San Francisco develop and maintain its tourism business active and thriving. The greeter program is comprised of 20-30 volunteers. There is a core constituency that keeps the program active. Representatives from the core group are in attendance. Mr. Roybal read the commendation for the volunteer group and presented the certificates to: Barbara Kozlowski, Marion Bacciocco, Bernard McDonald, Harriett Israel and the president and chief organizer of the Cruise Concierge Program, Mim Illencik.

On behalf of the Commission, Commissioner McCarthy thanked all the volunteers for their work.

4. CONSENT CALENDAR

A. Approval of First Amendment to P&O Nedlloyd Limited's (Blue Star Line) Marine Terminal Agreement. (Resolution No. 99-85).

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-85 was adopted.

5. MARITIME

6. REAL ESTATE

7. FACILITIES & OPERATIONS

A. Approval to re-advertise for competitive bids Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project." (Resolution No. 99-86)

Ed Byrne, Senior Civil Engineer, requested Commission's approval to readvertise Contract No. 2663. Mr. Byrne indicated that on March 1999, the Hyde Street Harbor Project was advertised for competitive bids. The bids received were in excess of the engineer's estimate and in excess of the available Port funding. On July 27, 1999, the Commission rejected the bids due to funding shortfall. Port staff in conjunction with its consultant, Concept Marine, performed aggressive value engineering in an attempt to reduce the project cost and at the same time maintain the goals and features of the project. They were also successful in obtaining additional funding for the project. Port staff separated the original project into two distinct contracts: (1) the Hyde Street Harbor Waterside Improvements Project and (2) the Hyde Street Harbor Landside Improvements Project. By separating the project into two, staff anticipates a considerable amount of savings.

The main waterside components include:

- Harbor consisting of a 60-berth fishing facility.
- Accessible gangway and floating walkways.
- Sewer, bilge and electrical utilities.

The results of the landside value engineering include:

- Relocation of the new landside utility facility operations into the existing blue shed building located along Hyde Alley eliminates the need for a new building. This will substantially reduce the cost of providing the required bathrooms, trash area, storage space, mechanical room and electrical room.
- With the elimination of the proposed utility building, the new parking/open space area has been shifted to the south. This reduces the quantity of new fill and mitigates the height of the required new retaining walls. This also eliminates a proposed new wood pier. These scope revisions will generate significant cost savings.

The Port Commission previously accepted responsibility to manage a grant and loan from the Department of Boating and Waterways in the amount of $3.9 million for the design and construction of the Hyde Street Harbor improvements. The Port will add $1,130,000 of its own funds to the project. The current engineer's cost estimate for the waterside construction is $1,830,000.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-86 was adopted.

B. Authorization to re-advertise for competitive bids Contract No. 2617, "Pier 47A Reconstruction Project." (Resolution No. 99-87) ***This item was taken off calendar.***

C. Authorization to award Contract No. 2660, Construction of the China Basin Ferry Terminal. (Resolution No. 99-88) ***This item was taken off calendar.***

8. PLANNING & DEVELOPMENT

A. Resolution of Local Support for Application of State Transportation Improvement Program (STIP) Funding for Construction of the Illinois Street Intermodal Bridge Spanning Islais Creek. (Resolution No. 99-84)

Dan Bell, Port Planning Division, requested the Commission's approval of the resolution in support of the application of State Transportation Improvement funds. Approximately $200 million in State Transportation Improvement funds is available; $15 million of which is available to the City & County of San Francisco projects. Port staff proposed to submit an application for these monies to build a bridge over Islais Creek. The construction of this bridge would facilitate rail traffic to both the northern and southern container terminals. The bridge will have a single railroad track running down the center and two outside lanes for vehicle traffic.

The estimated development cost for the bridge is $7.1 million. Catellus Development Corporation has committed $2.5 million toward the construction of the bridge if the Port secures funding for the balance. The Port Commission has previously approved the Illinois Street Bridge as unfunded project in the Capital Plan. Port staff has previously informed the Commission that staff would seek Federal and/or State transportation funding to assist with the development costs. Port staff has submitted an application for $4 million of the available $15 million STIP funding.

Mr. Bell indicated that a full drawbridge similar to the drawbridge at Third Street would cost $13 million. A lift segment bridge would cost $7.1 million and a fixed bridge would cost $6 to $6.5 million. Port staff believes that a lift-segment bridge is appropriate for this portion of Islais Creek because it would facilitate rail and truck traffic between marine terminals.

The elevation of the proposed lift-segment bridge over Islais Creek Channel would be similar to the nearby drawbridge on Third Street. This elevation will allow canoes, kayaks and low profile vessels to pass under the bridge in its down position. A small public boat dock was recently constructed west of the Third Street drawbridge through the efforts of Friends of Islais Creek and PUC. This boat dock is used to hand launch canoes and kayaks. The proposed Illinois Street Lift-Segment Bridge would not conflict with its use.

The City Fire Department has indicated that emergency fireboat access would not be necessary to the west end of Islais Creek because an underground auxiliary water supply system for fire fighting purposes is incorporated into the project.

Corinne Woods indicated that she foresees a problem with the lift-segment bridge, as it will effectively cut off a navigable waterway, which is protected by only allowing canoes and kayaks into Islais Creek. She indicated that the Port is forbidding any possibility of having a small boat marina and of having any kind of waterside activity other than canoes and kayaks. The U.S. Coast Guard is very concerned about effectively closing the Third Street Bridge. Putting a lift-segment bridge at Illinois Street, would effectively close the Third Street Bridge to vessel traffic. Although a drawbridge would cost significantly more money, she asked that the Port continue to look at that possibility.

Commissioner McWilliams indicated that he was concerned about the State branch to port authorities having a perception that ports have the ability to create their own revenues and municipalities are able to assess port districts and take money for City coffers. Although the Port has made it through the first hurdle with regards to funding, it is problematic to all ports throughout the State. He was disappointed by the Governor's decision to cut the matching funds for dredging because of the perception that ports have the ability to generate their own income. Controversies exist at larger ports about their City confiscating a percentage of their income and ports having to increase their rates to make up for the shortfall. He wondered if something could be done so as not to experience the same thing that has happened with the dredging funds being cut out of the budget.

Veronica Sanchez, Manager of Governmental Affairs, indicated that the difference between the money that the Port received for this project and the Navigation funding money which the Governor vetoed, is these funds are appropriated from the Federal T21 program. It is a done allocation, a yearly process from the Feds through the State, administered by MTC and channeled by the San Francisco Transportation Authority. Since the funds are allocated from an established program, the funds are secured. It is similar to the funds received for the Port's ferry facilities, downtown ferry terminal project as well as the China Basin ferry terminal.

Commissioner Hardeman indicated that he too had a concern because of rumors of having a drawbridge at the site. There seems to be not enough traffic in the area to warrant a drawbridge. Having a lift-segment bridge is more financially sound and would facilitate movement of cargo. He believed that this is a good project for the Port and well worth taking a chance of possible increase of use in the future.

Commissioner McWilliams asked for an explanation of the bridge mechanism. Mr. Bell responded that a lift segment by design would allow a crane to lift out the center portion of the bridge and put it on the side or some other anchoring and allow the vessel to barge to pass the bridge. It is a costly endeavor but the concept is it would only open during emergencies and/or construction project. Staff feels that the future of the western portion of Islais Creek is for small boats. The Third Street Light Rail would be running down Third Street and to allow at anybody's whim, pleasure boat or sail boat to continue up and down a portion of Islais Creek would certainly disrupt Muni and the Third Street Light Rail. Third Street is a vital corridor that needs to be free flowing as much as possible.

Lloyd Schlegel, San Francisco resident, asked about the need for cargo to travel between Pier 80 and the northern end of the rail track since there are shipping terminals at each end.

Mr. Dailey, Maritime Director, replied that currently Pier 80, the Port's main cargo facility, is served by a very convoluted rail access. This bridge would allow rail to come directly into and out of the facility. This bridge would also connect the two terminals, to effectively create one terminal, which offers enormous advantages in terms of cargo handling and overweight containers. To be efficient, rail access would

be needed to both terminals. Rail access allows the Port to handle different types of cargoes, which is vital to the Port's operation and it would take trucks off the road.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 99-84 was adopted.

B. Informational Presentation on the conceptual design of Rincon Park located at Folsom and the Embarcadero.

Kari Kilstrom, Port Planning Division, indicated that this is a plan to design and develop a new waterfront park on Port property. The Rincon Park design team will provide the Commission a brief overview of the park's proposed design concepts.

In 1995, the Port agreed to lease the park site to the Redevelopment Agency. The Agency is responsible for preparing the design drawings for the park. The Agency entered into a separate agreement with the Gap in which the Gap agreed to design and construct the park. The design team, along with the Port and the Agency have been in communication with other regulatory agencies and community groups and the Port's design advisors about the design of the park, including the Rincon Point South Beach CAC. A subcommittee was formed to discuss in detail the design of the park. The design drawings have been released and circulated. By next week, there will be a new iteration responding to comments from the meetings. Port and Agency staffs will convene a joint meeting with both Commissions to obtain approval of the schematic design drawings. The park site is distinct from the restaurant site. For design purposes, many of the drawings will show the park and restaurant site integrated into what appears to be almost a single development. The restaurant site is a separate development site and Port staff is currently negotiating a lease and development agreement with Nice Ventures, Inc. The design team for Rincon Park includes Wilson Cornerstone and the Olin Partnership Landscape Architects.

Joe Nootbar indicated that Wilson Cornerstone is the development manager for the Gap Embarcadero project. Mr. Nootbar indicated that the two projects (the restaurant and the Rincon Park) needed to be looked at the same time because of their adjacency and intimate relationship not only for their physical proximity but also for its success when completed. Generally, the plan consists of a large grand lawn with a sculpture being commissioned by the Gap and a few major pedestrian circulation areas; the most dominant one coming from Folsom Street and the other two coming from the north and south as they link to the existing Art Ribbon and Herb Caen Promenade development.

Mr. Nootbar introduced Cindy Sanders, from Olin Partnership who in conjunction with Cheryl Barton are the landscape architects for both the park and the restaurant projects.

Ms. Sanders showed the Commission drawings of the proposed Rincon Park and the Rincon Park Restaurant. She commented that the spirit of the place is so phenomenal and the energy of San Francisco is fabulous. It is with that energy that they hope to bring the park to the Commission, which is very much influenced by the maritime

tradition. They felt that maintaining connectivity through the promenade was absolutely critical. They have honored the connection of the Art Ribbon from the north to the south. They have honored the Folsom Street connection and have added another piercing into the park between the restaurant. One side of the restaurant also serves as a vehicular drop off area for people entering the restaurant. There will be valet service to take cars to a remote garage. The visual connections to the park were critical to the park's plan. Keeping that visual corridor open was of prime importance. They proposed to tilt the land ever so slightly to the water, creating a very gracious sloped edge. They also created an edge that would be an active place for people to sit and a place full of strong herbaceous materials. The restaurant will bring a lot of activity to the park. The concept of an outdoor kiosk where people can take food out and bring into the park was also thought of. They envision people coming into the park, sitting on the lawn, sitting on the walls. There will be room for outdoor dining within the restaurant. They envision a slightly terraced edge where people can sit along the edge, providing entertainment so there would be the knitting between the restaurant environment and the public.

Ms. Sanders also showed the Commission pictures of proposed herbaceous materials to be used in the park.

Jim Jennings, restaurant architect, pointed out that the northern building is designed in such a way that the part that jets out toward the water would be mostly glass. It would provide a great deal of visual transparency through the park, between the park and the piazza space outside the restaurant. It was agreed upon that the building should not be shoved down to the southern end of the park but the design of the building should be integrated with the park. The shape and the form of the building are the reflection of the shape and form of the curved elements in the park and the landforms are integrated into the forms of the building.

Corinne Woods, speaking on behalf of Jennifer Clary, indicated that several issues were brought up at the BCDC Design Review Board about this plan. BCDC was concerned about the height of the building. By slanting the building by the water, it would build up the shoreside and the building would be 22 feet high. The street wall would also be higher than the water so people who are walking along the roadside of the Embarcadero would not have any view of the water except through the narrow gap at Folsom Street. They are concerned that there will be no access on the north side of the park as well. It's a long distance not to be able to get back out to the street from the park, which would present a safety issue. She suggested widening the path at Folsom Street in order to have a true visual corridor, in accordance with the Waterfront Land Use Plan.

Ernestine Weiss indicated that she was concerned about the seawall because of the skateboarders in the park ruining the concrete. She asked what could be done to prohibit the skateboarders from ruining the park. Mr. Jennings replied that the plan is in its early design stage and too early to know exactly what the finish materials would be but they are aware of the ribbon wall. Their goal is to finesse the design so it would not be attractive to the skateboarders although the skateboarder's behavior is unpredictable. They don't want to design the project to preclude people from wanting

to be there but they clearly don't want any damages made by the skateboarders.

Commissioner McCarthy commented that this has a potential to be a respite place in an area that is going to be busy with traffic. She was unsure at first because of the issues around the mound. However, after seeing the plan, this would be reassuring for the people who will be on the park that it would be quieter, peaceful and a calmer environment. She made the same observations while at Battery Park. She indicated that she found the crowd at Battery Park to be a very nice mix and during her visit, there were no skateboarders.

Mr. Nootbar clarified that their landscape architects also designed Battery Park. Ms. Sanders indicated that Battery Park has a very intense management program. Mr. Nootbar emphasized that part of their agreement with the Redevelopment Agency, the Gap would be funding the security of the park for 10 years. The structure of the security has not been set but the Redevelopment Agency is looking into the type of management system they intend to use. Redevelopment Agency will be in charge of overseeing how those funds are used for the management and security of the park.

C. Informational Presentation on Pier 1-½, 3 and 5 and the Ferry Building Area Advisory Group.

Kirk Bennett, Manager of Waterfront Development Projects, indicated that Port staff commenced work with the Advisory Group regarding formulating a development concept for Piers 1-½, 3 and 5 RFP. The Ferry Building Advisory Group was formed in 1998 to provide input and guidance on development projects in the Ferry Building area. To date, they have provided input to Port staff on the Ferry Building RFP and Pier One RFP/RFQ.

Anne Halsted is the chair for the Advisory Group. Charles Chase, the Executive Director of the Foundation for the San Francisco's Architectural Heritage, will replace David Bahlman. The focus of the Advisory Group is on the development opportunity for Piers 1-½, 3 and 5. The marginal wharf conditions under these bulkhead buildings are severely deteriorated and need repair. The Port Commission and the Department of Public Works have allocated funds to repair this marginal wharf. Additional significant expenditures are required to preserve the historic facilities. Port staff needs to act quickly to accomplish this preservation. Before Port staff issues any RFP, it will first seek Port Commission approval. The first meeting of the reconvened Ferry Building Advisory Group is October 27 at 5 p.m. Notices were sent to all affected tenants as well to all neighborhood organizations registered on the Planning Department's list, financial district and North Beach area.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Corinne Woods, indicated that at the September 21st Port Commission meeting, Commissioner McCarthy requested a staff report on the status of the Special Area Plan and the negotiations with the Port, BCDC and Save San Francisco Bay. The item did not

appear at last meeting's or at this meeting's agenda. BCDC released a draft of the Special Area Plan in May and Port staff, within the last two weeks, responded with another draft but the community has not seen either one. She indicated that the community is at a significant disadvantage not being able to review the draft documents and not being able to comment before the time crunch of trying to approve it. With the upcoming holidays, there would not be enough time for public hearings. She requested the Commission to ask Port staff to inform the community groups when they can expect the draft documents to be available for review. Corinne Woods also asked about the status of the grant that the Port will receive for the Brannan Street Wharf study. Commissioner McCarthy replied that Diane Oshima would be in contact with her to answer her questions.

Kathy Lohan, Executive Director and CEO of the National Maritime Museum Association, indicated they are a non-profit group to San Francisco Maritime National Historical Park and the operator of the World War II Submarine, the Pampanito, at Pier 45. She introduced Chris Bach, the new ship manager for the Pampanito. On behalf of the board and associations' staff, she expressed their appreciation to the Commission for including the Pampanito in the Pier 45 RFP.

Ms. Lohan indicated that the purpose of addressing the Commission is twofold: (1) provide the Commission information regarding the Pampanito's operation and (2) invite the Commission for a tour of the vessel. With the Port's approval, several improvements were made to the Pier 45 apron. Historic photographs were placed on the pier shed doors along the apron and was well received by the public. A video was produced about the submarine's history that is being shown on local hotels and on the pier. A contract with Antenna Audio will be signed this week for a brand new audio tour on board the submarine. Children's program has been continuously held in the past three years on board the submarine. Thanks to a grant from the Bradford Foundation, children from Chinatown, Hunter's Point and the Mission will come in the next year and experience the program. An education council exists consisting of San Francisco schoolteachers who developed a curriculum for both the Pampanito and the Hyde Street Maritime Museum. They developed a curriculum for 7th and 8th graders where the kids will spend the night on the submarine and will have a laboratory for science and math. A training to teach teachers about their maritime history was provided. The Pampanito provides an income stream that not only takes care of the vessel itself but also allows them to do things for the National Park Service. The association received a donation of $250,000 for a new exhibit of marine/radio communications to be located on the top floor of the museum, which will be open Friday, November 5th. The exhibit will tell the story of the communications at sea from signal flags to current Coast Guard GPS systems. The annual festival of the Sea was also produced by the association. She invited the Commission and Port staff to visit the museum.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 5:10 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24-½ (Pier 24 Annex) ***This item was taken off calendar.***
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
_X_ As Defendant _X_ As Plaintiff

12. RECONVENE IN OPEN SESSION

At 6 p.m., Commissioners McCarthy, Brandon, Hardeman, McWilliams and Lee returned from executive session and convened in open session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6 p.m.

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PORT OF SAN FRANCISCO

NOTICE OF CANCELLED MEETING

THE REGULAR PORT COMMISSION MEETING SCHEDULED FOR
TUESDAY, NOVEMBER 9, 1999 AT 4:00 P.M.
IS CANCELLED

A SPECIAL PORT COMMISSION MEETING
IS SCHEDULED FOR

WEDNESDAY, NOVEMBER 17, 1999
AT 3:00 P.M.

in the Port Commission Room
Suite 3100, Ferry Building
San Francisco, CA 94111
(415) 274-0406

DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

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SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING
3:00 P.M., WEDNESDAY, NOVEMBER 17, 1999
Pier 35, Passenger Lounge – Second Floor ◄◄◄◄ Please note the location of the meeting.
Bay Street & The Embarcadero, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS/PUBLIC COMMENT**
Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss the responses to the RFP for the Bryant Street Pier Project.

b. Property: Southern Waterfront
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*RMC Lonestar @ Pier 80: Harry Peppart
*ISG Resources, Inc. @ Pier 90: Mark Langowski
*Bode Gravel/Mission Valley Rock @ Pier 92: Dan Boardman
*British Pacific Aggregates, Corp. @ Pier 94/96: John Chambers
*Waste Management, Inc. @ Pier 70: Jack Isola
*Grosvenor Bus Lines, Inc. @ Pier 94/96: Ken Marciano

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations with the above-mentioned Southern Waterfront tenants.

c. Property: Ferry Building
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Wilson-Cornerstone: Richard Springwater

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and Wilson-Cornerstone regarding the Ferry Building Renovation Project.

d. Property: Foreign Trade Zone No. 3
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Foreign Trade Zone No. 3: Claude Jacque

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and the Foreign Trade Zone No. 3.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
X As Defendant ___ As Plaintiff

b. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case):
X As Defendant ___ As Plaintiff

- Alioto Fish Company vs. CCSF, et. al., Superior Court No. 306-391

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. ADJOURNMENT

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SAN FRANCISCO
PORT COMMISSION

NOVEMBER 17, 1999
MINUTES OF THE SPECIAL MEETING

MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., NOVEMBER 17, 1999

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 3:07 p.m. Commissioners Denise McCarthy, Kimberly Brandon, Michael Hardeman and Pius Lee were present. Commissioner Brian McWilliams was not present.

2. NEW BUSINESS/PUBLIC COMMENT

3. EXECUTIVE SESSION

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

At 3:07 p.m., the Commission withdrew to executive session to discuss the following:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative.**

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

b. Property: Southern Waterfront
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*RMC Lonestar @ Pier 80: Harry Peppart
*ISG Resources, Inc. @ Pier 90: Mark Langowski
*Bode Gravel/Mission Valley Rock @ Pier 92: Dan Boardman
*British Pacific Aggregates, Corp. @ Pier 94/96: John Chambers
*Waste Management, Inc. @ Pier 70: Jack Isola
*Grosvenor Bus Lines, Inc. @ Pier 94/96: Ken Marciano

c. Property: Ferry Building
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Wilson-Cornerstone: Richard Springwater

d. Property: Foreign Trade Zone No. 3
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Foreign Trade Zone No. 3: Claude Jacque

CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED AND EXISTING LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
_X_ As Defendant ___ As Plaintiff

b. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case):
_X_ As Defendant ___ As Plaintiff

- Alioto Fish Company vs. CCSF, et. al., Superior Court No. 306-391

At 430 p.m., Commissioners McCarthy, Brandon, Hardeman and Lee returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 4:30 p.m.

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SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING
4:00 P.M., WEDNESDAY, NOVEMBER 17, 1999
Pier 35, Passenger Lounge – Second Floor ◄◄◄◄ Please note the location of the meeting.
Bay Street & The Embarcadero, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - October 26, 1999 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Resolution awarding Representative Nancy Pelosi the Maritime Merit Award, with the Rank of Admiral, for her support of the Port of San Francisco's Maritime Industries and Transportation Projects. (Resolution No. 99-89)

4. **CONSENT CALENDAR**

   A. Approval of Sublease between The California Foundation on the Environment and the Economy as Tenant and Contra Integrated, Inc. as Subtenant at Pier 35 (The Embarcadero at Bay Street). (Resolution No. 99-94)

5. **MARITIME**

6. **REAL ESTATE**

   A. Approval of a 25 year Lease with two 5-year options with J. Kennedy, Inc. for Restaurant Space at Pier 28. (Resolution No. 99-92)

7. **FACILITIES & OPERATIONS**

   A. Authorization to re-advertise for competitive bids Contract 2664, "Hyde Street Harbor Landside Improvement Project." (Resolution No. 99-91)

   B. Reconsideration of authorization to award Contract No. 2660, "Construction of the China Basin Ferry Terminal" pursuant to Resolution No. 99-78. (Resolution No. 99-95)

8. PLANNING & DEVELOPMENT

A. Approval of the conceptual design of the Ferry Building Project. (Resolution No. 99-90)

B. Informational Presentation by Development Teams submitting proposals for the Bryant Street Pier Project on Seawall Lot 330 and Piers 30-32, which includes the James R. Herman International Cruise Terminal.

C. Informational Presentation on results of Request for Qualifications for Real Estate Economics and other Consulting Services for Waterfront Development Projects.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. ADJOURNMENT

PUBLIC MEETINGS
NOVEMBER/DECEMBER 1999
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Nov. 15	5:00 p.m.	Rincon Point/ South Beach CAC	South Beach Yacht Club Pier 40
Nov. 16	9:00 a.m.	Pier 45 Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Nov. 17 *(Special Meeting)*	3:00 p.m.	Port Commission	Passenger Lounge, 2nd Floor Pier 35
Dec. 7 (*Tentative*) *(Special Meeting)*	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Dec. 13	5:30 p.m.	So. Waterfront Advisory Group	Port Commission Room Ferry Building
Dec. 14 *(Cancelled)*	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Dec. 20	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Dec. 21	9:00 a.m.	Pier 45 Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Pier 45 Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group does not have any meetings scheduled for November.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
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Telex 275940 PSF UR
Fax 415 274 0528
Cable SFPORTCOMM
Writer

November 9, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution Awarding Representative Nancy L. Pelosi, the Maritime Merit Award, with the Rank of Admiral for her Support of the Port of San Francisco's Maritime Industries and Transportation Projects (Resolution No. 99-89).

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

The Order of Maritime Merit Award, with the Rank of Admiral, is the San Francisco Port Commission's highest award for distinguished service to the Port. This award has been frequently used to honor dignitaries, Commissioners or Port Directors at the end of their tenure.

The Port Commission may consider awarding this distinction to individuals who have shown exemplary leadership in helping the Port meet its trust mandated mission of providing maritime, commercial and recreational opportunities along San Francisco's waterfront.

This award carries the ceremonial designation of *"Rank of Admiral"*, and gives special recognition to individuals who have preserved and created employment opportunities for the Port's maritime industries (i.e. cargo, fishing, ship repair, cruise ships, harbor services, ferry and excursion operations).

AWARD TO REPRESENTATIVE NANCY L. PELOSI

Representative Nancy L. Pelosi has represented California's 8th Congressional District, encompassing all of the Port of San Francisco, for twelve years. She has been a strong and dedicated advocate for the revitalization of San Francisco's waterfront. Through her leadership and expertise, the Port of San Francisco has benefited from new funding opportunities for Port projects.

This Print Covers Calendar Item No. 3B

Representative Pelosi has been committed to maintaining industrial and maritime jobs on San Francisco's waterfront. She has worked hard to develop and support Federal funding opportunities for projects that improve facilities for the Port's maritime industries.

Most recently, Representative Pelosi assisted the Port in acquiring a surplus drydock from the U.S. Department of General Services for San Francisco Drydock, Inc. (SFD), the Port's largest maritime tenant. This acquisition of the new drydock for $93,600 allowed the Port to replace an old piece of equipment which otherwise would have cost the Port more than $7 million to replace. The new drydock, provides SFD more flexibility to attract new types of commercial ship repair work. The new drydock will also provide the San Francisco Maritime Historical Park with a convenient shipyard for restoring its historical vessels at Hyde Street Pier.

After the Loma Prieta earthquake, Representative Pelosi assisted the Port in securing a grant from the U.S. Department of Commerce for the restoration of the fish processing facilities. This facility now employs over 200 people. She also obtained funding for a feasibility study for a public/educational facility at Pier 45 focusing on fisheries and the environment of San Francisco Bay.

All of the Port's maritime industries dependent on dredging have benefited from Rep. Pelosi's advocacy and support for finding alternative dredge disposal sites that are commercially viable and environmentally beneficial. This ten-year effort produced major policy changes in how Federal agencies permit and fund dredging projects.

Representative Pelosi has been at the forefront in helping the Port upgrade its ferry facilities to meet the region's increasing demand for ferry transit. Construction will start next year on the installation of new water facilities at the Downtown Ferry Terminal and China Basin. These two projects were funded with Federal grants that Representative Pelosi helped the Port secure. Mrs. Pelosi obtained the first grant for the Port to obtain preliminary and engineering funds for the restoration of the Ferry Building as a transportation facility. By doing this work, the Port attracted private developers' interest in the project. Once completed, the Ferry Building will be a model of the renovation of a historical building under a joint private/public partnership.

The commercial and recreational users of the Port have directly benefited from Representative Pelosi's leadership on the Mid-Embarcadero transit and beautification improvements. Through her work, Representative Pelosi has helped our Port meet its core maritime mission and enabled more San Franciscans to enjoy our spectacular waterfront. Her leadership in Washington, D.C. has been critical to the revitalization of San Francisco's waterfront. Staff is pleased to recommend that Representative Pelosi be honored with the Maritime Merit Award.

Prepared by: Veronica Sanchez, Manager, Governmental Affairs Office

CITY AND COUNTY OF SAN FRANCISCO
PORT OF SAN FRANCISCO

RESOLUTION NO. 99-89

WHEREAS, The Order of Maritime Merit Award is the San Francisco Port Commission's highest award for distinguished service to the Port of San Francisco; and,

WHEREAS, This award carries the ceremonial "Rank of Admiral" and honors individuals for their exemplary leadership in preserving and creating employment opportunities for the Port's maritime industries (i.e. cargo, fishing, ship repair, cruise ships, harbor services, ferry and excursion operations), and;

WHEREAS, Representative Pelosi, a highly respected leader in the United States Congress, has assisted the Port and its maritime tenants in securing funding opportunities to upgrade facilities that enable tenants to compete effectively and generate jobs, and;

WHEREAS, Representative Pelosi assisted the Port's remaining ship repair facility in securing a surplus government dry dock, which will enable San Francisco Drydock to compete for a diversity of commercial ship repair opportunities and provide a location for restoration of the San Francisco National Historic Park Service's historical vessels, and;

WHEREAS, Representative Pelosi has been at the forefront in helping the Port upgrade its ferry facilities to meet the region's increasing demand for ferry transit by helping the Port secure grants for the Downtown and China Basin Ferry Terminals; and restoration of the Ferry Building, and;

WHEREAS, Representative Pelosi has helped the Port of San Francisco meet its core maritime mission and enabled more San Franciscans to enjoy our waterfront through new transportation and beautification projects; now therefore, be it

RESOLVED, The San Francisco Port Commission awards Representative Nancy L. Pelosi the Order of Maritime Merit with the Rank of Admiral and thanks her for her outstanding contributions to the Port of San Francisco.

I hereby certify that the San Francisco Port Commission at its meeting of November 17, 1999 adopted the foregoing resolution.

_____
Secretary

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
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Fax 415 274 0528
Cable SFPORTCOMM
Writer

MEMORANDUM

November 9, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman
Hon. Brian Thomas McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: APPROVAL OF CONSENT TO SUBLEASE BETWEEN THE CALIFORNIA FOUNDATION ON THE ENVIRONMENT AND THE ECONOMY AS TENANT AND CONTRA INTEGRATED, INC. AS SUBTENANT AT PIER 35 (THE EMBARCADERO AT BAY STREET)

DIRECTOR'S RECOMMENDATION: APPROVE CONSENT TO SUBLEASE BETWEEN THE CALIFORNIA FOUNDATION ON THE ENVIRONMENT AND THE ECONOMY AND CONTRA INTEGRATED, INC.

BACKGROUND:

On August 11, 1998, the Port Commission approved a Lease (Lease No. L-12606) for 5,827 square feet of Bulkhead Office Space at Pier 35 with the California Foundation for the Environment and the Economy ("CFEE") (Port Commission Resolution 98-72) Section 21. (Assignment and Subletting) of Lease No. L-12606 allows CFEE to sublease a portion of the Pier 35 premises to others subject to Port Commission approval.

CFEE has proposed to sublease 3,512 rentable square feet of Bulkhead Office Space to Contra Integrated, Inc., a California corporation.

Port staff has reviewed the proposed sublease and finds it consistent with the terms of CFEE's lease with the Port. CFEE will remain primarily liable to the Port for the full performance of the Lease.

Port staff recommends approval of the proposed sublease between CFEE and Contra Integrated, Inc.

THIS PRINT COVERS CALENDAR ITEM NO. 4A

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-94

WHEREAS Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS Pursuant to Port Commission Resolution 98-72 the Port entered into Lease No. L-12606 with the California Foundation on the Environment and the Economy ("CFEE") for Bulkhead Office at Pier 35; and

WHEREAS Consistent with the terms and conditions of Lease No. L-12606, CFEE proposes to sublease to Contra Integrated, Inc., a California corporation, a portion of the Pier 35 Bulkhead Offices Space affected by said Lease; and

WHEREAS Lease No. L-12606 requires that subleases of the Premises be approved by the Port Commission, now therefore be it

RESOLVED, that the Port Commission approves the proposed sublease between CFEE and Contra Integrated, Inc. and authorizes the Executive Director to execute a Consent to Sublease in such form as may be approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 17, 1999.

_____
Secretary

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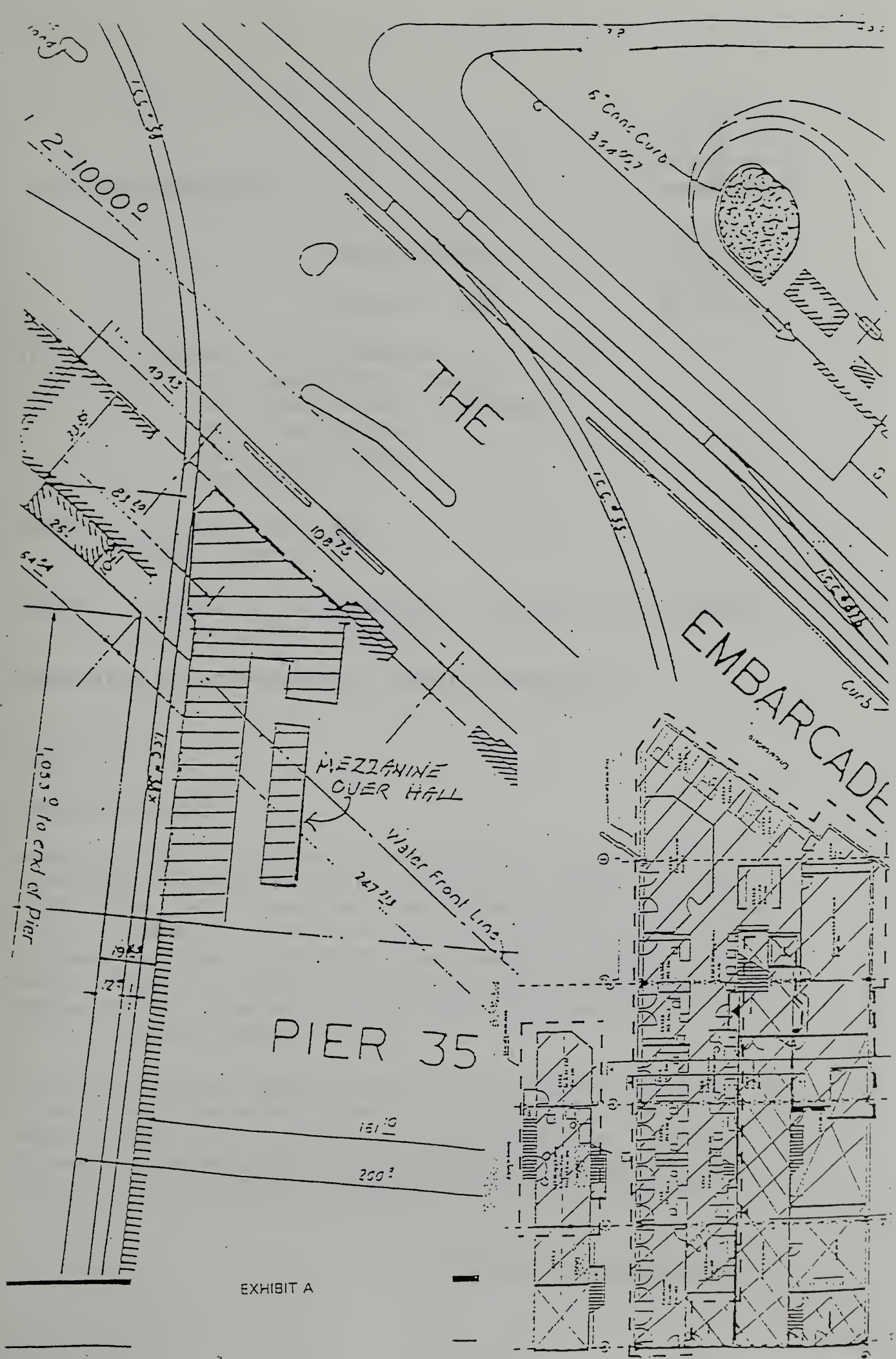
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EXHIBIT A

PORT OF SAN FRANCISCO

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MEMORANDUM

November 17, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice-President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a 25 year Lease with two 5 year options with J. Kennedy, Inc. for Restaurant Space at Pier 28

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

Boondocks Restaurant

James Kennedy, Sr. and James Kennedy, Jr. have operated the Boondocks Restaurant at Pier 28 since 1986. The tenant under this lease is J. Kennedy, Inc., a California corporation, dba Boondocks Restaurant ("J. Kennedy, Inc."), which is wholly owned by the Kennedy family. Their tenancy has been on a month-to-month basis since the lease expired on June 30, 1996. The current monthly base rent is $1,763.85, versus percentage rent calculated at 7% of gross receipts. During the 1998 calendar year, the Boondocks Restaurant generated gross sales of $260,444.00 ($117.05 per square foot of interior restaurant space) and paid $21,573.00 ($9.70 per square foot) of total rent to the Port.

Pursuant to the Policy for Leasing Retail Business Sites (the "Retail Policy" discussed below), J. Kennedy, Inc. has now requested a new long term lease. J. Kennedy, Inc. has also submitted a business plan for redeveloping the restaurant, which includes a significant investment. Pursuant to the Retail Policy, Port staff has reviewed the compliance of J. Kennedy, Inc. with the criteria for direct negotiation of a long term restaurant lease.

Policy for Leasing Retail Business Sites

On April 28, 1993, the Port Commission approved the Retail Policy (by Resolution No. 93-52). This Retail Policy reaffirms the Port's commitment to foster and encourage full and equitable opportunities for leasing retail sites on the waterfront through an outreach and competitive bid or request for proposal process in accordance with section 23.24 of the Administrative Code. However, the Retail Policy also allows for the direct negotiation of a lease with an existing retail tenant if the benefits of direct negotiation exceed the benefits of a public offering.

For a longer term lease to be awarded to an existing retail tenant through direct negotiation, the Port Commission must determine that:

1. The tenant is in good standing;
2. The tenant is committed to making a significant capital investment supported by a sound business plan which will benefit the Port;
3. The tenancy is in the best economic interest of the Port, and the tenant is the best economic tenant available; and
4. The tenant has a good record of affirmative action and nondiscrimination and is committed to future compliance.

As discussed below, Port staff believes that J. Kennedy, Inc. and its proposed business plan satisfy those criteria for direct negotiation pursuant to the policy.

1. **Good Standing**. J. Kennedy, Inc. has a history of compliance with the obligations of its existing lease.

2. **Sound Business Plan**. With a long term lease, J. Kennedy, Inc. proposes to demolish the existing structure, replacing it with a new two story building and repositioning the restaurant as a full service seafood restaurant. The new restaurant would be called *The Rincon Point Crabshack.* The restaurant concept is to create, with as much authenticity as possible, a genuine turn-of-the-century crabshack, with a "working waterfront" look and feel. The exterior will feature weathered clapboard, wooden shutters, a corrugated metal roof, and a wooden sign with 19th century mercantile lettering illuminated by industrial style, gooseneck lamps. The interior will be laden with "funky" waterfront artifacts, all in keeping with the appearance of authenticity. The floors and walls will be wood, and the space will feature exposed wooden beams. Brass and glass will be used where appropriate. The business plan includes investing $2,210,677 ($368.45 per sq. ft.) in the renovation of the restaurant, and engaging a management group with extensive experience developing and operating San Francisco restaurants.

   The renovation and operation of the *Rincon Point Crabshack* will be managed by the Rincon Point Crabshack Management Group ("RPCMG"), comprised of: Malcolm Stroud, principal owner of Scott's Seafood Grill and Bar; John Santori, CEO of the Fine Line Group, a construction company specializing in upscale restaurants and

retail projects, and Paul Stanners, Real Estate and Restaurant Consultant. The group plans to form a Limited Liability Corporation, in which the Kennedy family will remain as owners in the future venture.

Mr. Malcolm Stroud has over 45 years of extensive experience in the hospitality business including: P & O Lines, The Hudson Bay Company in Canada, the Buena Vista Hotel in the Bahamas, the Standard Oil Shipping Line, Mark Hopkins Hotel and Le Trianon restaurant in San Francisco (until 1960 when he left to open his own restaurant), and The Coachman, an English steak and chop house. In 1976, Mr. Stroud developed the Scott's Seafood Grill & Bar concept, which at the present includes eight units in California and in total grosses over $35 million. The first Scott's opened on Scott and Lombard street and became an immediate success among young executives and socialites. Since the success of the first Scott's, Mr. Stroud has established seven other Scott's locations through ownership, licensing agreements or management contracts. Locations include two in San Francisco, Palo Alto, San Jose, Oakland's Jack London Square, Walnut Creek, Sacramento and Costa Mesa.

The renovation plan, illustrated on the rendering attached hereto as **Exhibit A**, will expand the seating capacity from 94 to 257.

As the name of restaurant implies, the menu will have a heavy emphasis on seafood with a particular focus on shellfish and crab. Several different types of crab will be offered – blue, stone, soft-shell, king – with the main feature being, of course, local Dungeness. They will be prepared in a variety of ways: cooked, roasted, broiled and sautéed. Other shellfish menu items will include shrimp, oysters, clams, mussels, scallops, and lobster. Complementing the menu feature presentation of shellfish will be a selection of shellfish and fish soups, stews and chowders such as cioppino, bouillabaisse, gumbo, clam chowder, and oyster stew. Fresh fish will be the other dominant menu item.

The menu will be rounded out with a selection of meat dishes which are characteristic of cookhouse fare (e.g., steak, chops, meatloaf, sausages, pot roast, lamb shanks). There will be daily specials which, from time to time, will feature San Francisco/ American classics prepared with a contemporary interpretation such as Crab Louie Salad, Oysters Rockefeller, Hangtown Fry, Coquille St. Jacques, and Lobster Thermidor. There will be crabpots and stands on the perimeter of the premises from which freshly cooked cracked crab, crab salads, sandwiches, and soups will be sold.

3. **Best Economic Tenant**. J. Kennedy, Inc. has agreed to pay an initial monthly base rent of $18,000 ($3.00 per sq. ft.,) which is in the high end of this market rental range. Moreover, based upon the planned renovation and the new management group, the *Rincon Point Crabshack* is projected by RPCMG to generate average sales of $386,109 per month in the first year after the renovation, increasing to $434,569 per month by the fifth year after the renovation. As indicated in the following table, at 7% of gross sales, the Port would realize average monthly rent of approximately $4.50 per square foot in the first year increasing to $5.07 per square foot in the fifth year.

RINCON POINT CRABSHACK
GROSS SALES AND RENT PROJECTIONS

Lease Year	Projected Gross Sales Annual	Monthly	Average Monthly Percentage Rent @7% Total	Per Sq. Ft.
1	$4,633,310	$386,109	$27,028	$4.50
2	$4,772,309	$397,692	$27,838	4.64
3	$4,915,478	$409,623	$28,674	4.38
4	$5,062,943	$421,912	$29,534	4.92
5	$5,214,831	$434,569	$30,420	5.07

4. **Affirmative Action**. Port staff has determined that J. Kennedy, Inc. has a good affirmative action record in employment, purchasing and contracting. In addition, the new lease further requires that not less than 30% of the construction costs expended by J. Kennedy, Inc. for its Tenant Improvements would inure to the benefit of bonafide MBE, WBE, or DBE enterprises certified by the San Francisco Human Rights Commission (HRC).

PROPOSED LEASE

1. **Tenant**: J. Kennedy, Inc., a California corporation.

2. **Premises**: 6,000 sq. ft. Gross Leasable Area ("GLA") of total restaurant space located at Pier 28. Current footprint of the building is 2,225 sq. ft.

3. **Term**: A twenty-five(25) year term, with two (2) five (5) year options. The Tenant must obtain financing and all required regulatory approvals for the proposed renovation of the Premises, including design review by the Port, issuance of a permit by BCDC, and issuance of a building permit by the Port.

4. **Use**: A full-service restaurant and operation of a take-out food service.

5. **Base Rent**: Initial Base Rent of $18,000.00 per month, which equals $3.00 per sq. ft. GLA, subject to annual cost of living increases. During the portion of the Renovation Period, the Base Rent shall be $1,763.85 ($0.76 per sq. ft.) per month.

6. **Percentage Rent**: Percentage rent, which shall be offset by Base Rent paid, shall be calculated and paid monthly by applying the percentage rates indicated below to the gross sales of the indicated types of sales:

Full service restaurant food and bar sales -- 7%
Take out food service ----------9%
Retail and other sales ----------9%

7. **Maintenance**: Tenant responsible for all maintenance to the Premises, including the exterior, and the pier substructure.

8. **Capital Improvements**:

a. Tenant shall expend at least $2,210,677 on Capital Improvements to the Premises.

Construction of Capital Improvements to the Premises by Tenant, in an amount of not less than $2,210,677 constitutes a material consideration to the Port. Consequently, in the event that Tenant has spent less than $2,210,677 on Capital Improvements as of the first anniversary date of the Term, the monthly Base Rent will be increased by the difference between $2,210,677 and the amount actually expended by Tenant on Capital Improvements, amortized on a straight line basis over the balance of the lease term. For example: If by the first anniversary date of the Term, Tenant has only expended $1,800,000 on Capital Improvements, then the monthly base rent will be increased by $1,373.50 ($2,210,677 - $1,800,000 = $410,677; $410,677 ÷299 months = $1,373.50).

b. Tenant agrees that not less than 30% of the construction costs it expends on Capital Improvements shall inure to the benefit of MBE, WBE or DBE enterprises, as certified by HRC.

c. Total construction costs - $2,210,677 = $368.45 per sq. ft.
Requested rent credits _____(0)
Net tenant costs $2,210,677 = $368.45 per sq. ft.

9. **California Environmental Quality Act ("CEQA"):** The Port Commission is also required to adopt certain findings under CEQA with regard to environmental impact of the proposed project. On May 26, 1999, the Planning Department of the City and County of San Francisco, Office of Environmental Review issued a Certification of Determination of Exemption/Exclusion from Environmental Review, attached hereto as **Exhibit B**, for the demolition of the existing restaurant, and the replacement with a larger two story restaurant building.

Prepared By: Mark W. Lozovoy, Acting Principal Area Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99 - 92

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Under Charter section B3.581, leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the San Francisco Administrative Code, Section 23.24, provides that retail sites should generally be offered to the public through competitive bidding; and

WHEREAS, the Port remains committed to fostering and encouraging full and equitable opportunities for leasing of retail sites on the waterfront; and

WHEREAS, in order to balance the benefits of competitive bidding with the benefits of direct negotiation with existing tenants, the Port Commission adopted the Policy for Leasing Retail Business Sites ("Retail Policy") on April 28, 1993 through Resolution No. 93-52; and

WHEREAS, J. Kennedy, Inc., an existing Port tenant, has requested a renewal lease for the Boondocks Restaurant site at Pier 28, pursuant to the Retail Policy; and

WHEREAS, the Retail Policy provides that a retail lease may be directly negotiated when:

1. The tenant in good standing;
2. The tenant is committed to making a significant capital investment supported by a sound business plan which will benefit the Port;
3. The tenancy is in the best economic interest of the Port, and the tenant is the best economic tenant available; and
4. The tenant has a good record of affirmative action and nondiscrimination and is committed to future compliance.

WHEREAS, the Retail Policy further requires that, prior to granting a lease pursuant to said policy, the Port Commission must make findings that the tenant satisfies the criteria for direct negotiation and that the benefits of direct negotiation outweigh the benefits of competitive bidding; and

WHEREAS, Port Commission approval is being sought for Lease L-12786 between the Port and J. Kennedy, Inc., the terms of which are set forth in the Memorandum of Agenda Item 6A for the Port Commission Meeting on November 17, 1999; and

WHEREAS, on May 26, 1999 the Planning Department of the City and County of San Francisco, Office of Environmental Review issued a Certification of Determination of Exemption/Exclusion from Environmental Review for the proposed use of the Premises affected by proposed Lease No. L-12786 for the demolition of an existing restaurant, and replacement with a larger two story restaurant building; now, therefore, be it

RESOLVED, that the Port Commission finds that J. Kennedy, Inc., satisfies the criteria for direct negotiation, qualifying it to directly negotiate with the Port for a long term lease pursuant to the Retail Policy, and finds that the benefits to the Port of directly negotiating a lease with J. Kennedy, Inc. outweigh the benefits of competitive bidding; and be it further

RESOLVED, that the Port Commission has considered and reviewed the Certificate of Determination of Exemption/Exclusion from Environmental Review and hereby finds and determines that the use of the Premises affected by proposed Lease No. L-12786 will have no significant impact on the environment and adopts and incorporates the findings of the Certificate of Determination of Exemption/Exclusion from Environmental Review issued by the Planning Department of the City and County of San Francisco, Office of Environmental Review, a copy of which is on file with the Secretary of the Port Commission; and be it further

RESOLVED, that the Port Commission hereby approves Lease L-12786 between the Port and J. Kennedy, Inc., which incorporates the business terms set forth in the Memorandum for Agenda Item 6A for the Port Commission meeting on November 17, 1999, and that the Executive Director, or his designee, is hereby authorized to execute Lease L-12786 on behalf of the Port in such final form as is substantially in the form on file with the Secretary of the Port Commission for said agenda item and in such final form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 17, 1999.

_____
Secretary

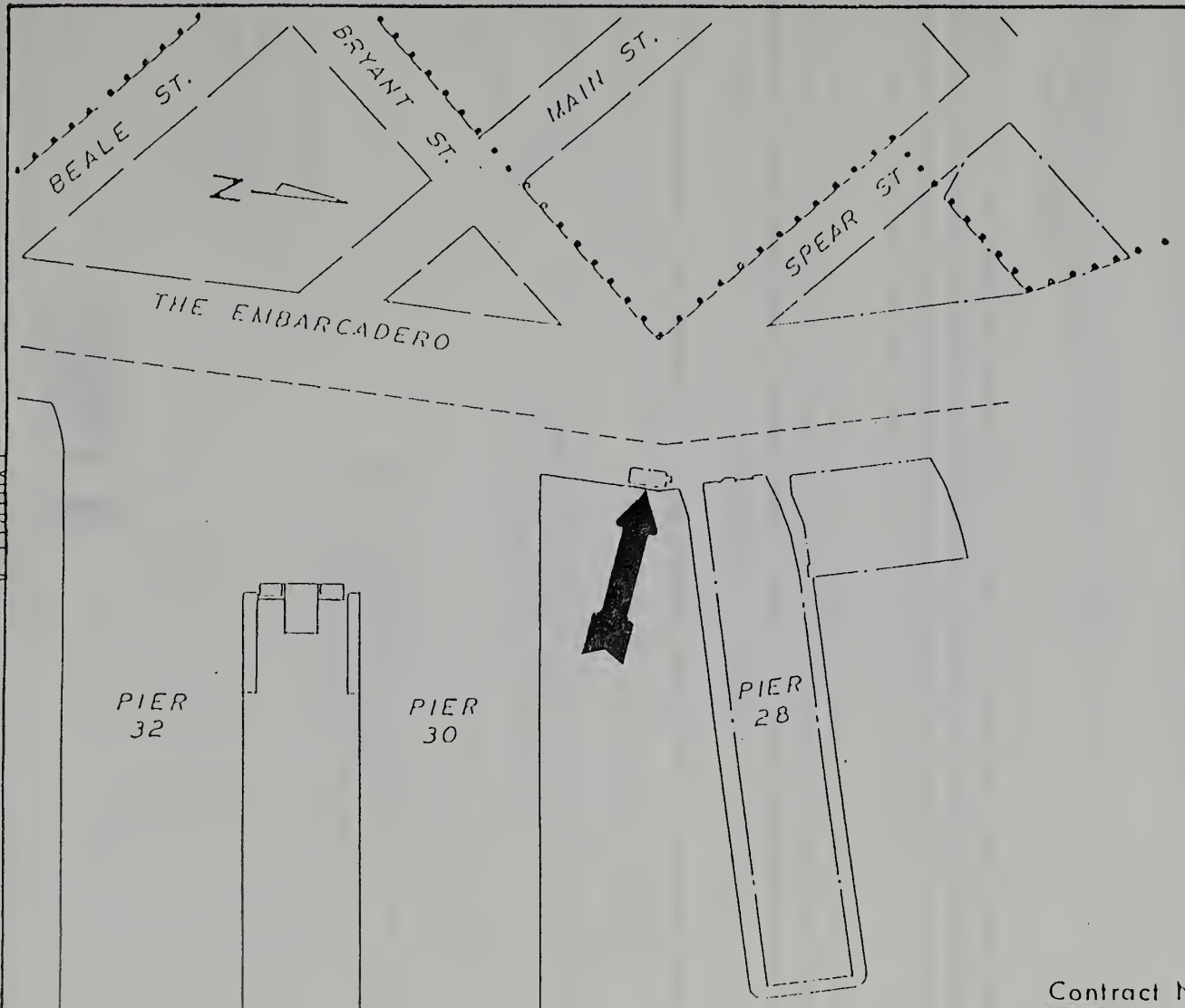

EXHIBIT A

Contract No.

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE_____

NO.	DATE	DESCRIPTION

REVISIONS

PORT OF SAN FRANCISCO
SAN FRANCISCO PORT COMMISSION
DEPARTMENT OF ENGINEERING

J. KENNEDY, INC.

IN CHARGE OF	CHECKED BY
MADE BY	DATE
TRACED BY	SCALE
DRAWING NO.	SHEET NO.

PLANNING DEPARTMENT

City and County of San Francisco 1660 Mission Street San Francisco, CA 94103-24

(415) 558-6378 PLANNING COMMISSION FAX: 558-6409 ADMINISTRATION FAX: 558-6426 CURRENT PLANNING/ZONING FAX: 558-6409 LONG RANGE PLANNIN FAX: 558-6426

CERTIFICATE OF DETERMINATION OF EXEMPTION/EXCLUSION FROM ENVIRONMENTAL REVIEW

Project Title: The Rincon Point Crabshack
Location: Pier 28
City and County: San Francisco

Description of Nature and Purpose of Project: At Pier 28 (east of Embarcadero Roadway at Bryant and Spear Streets), proposed demolition of an existing restaurant known as the Boondocks, and replacement with a larger restaurant to be named the Rincon Point Crabshack. The new restaurant would be approximately 6,800 square feet on two levels, with an 1,800 square foot deck, 700 square feet of which would be a public walkway. The deck and walkway would be cantilevered over the Bay, or supported on piles.

Name of Person, Board, Commission or Department Proposing to Carry Out Project:
Stanners & Associates

EXEMPT STATUS:
X Categorical Exemption [State Guidelines, Section 15303]
State Class Number: 3

REMARKS: CEQA State Guidelines Section 15303, or State Class 3, provides a categorical exemption from environmental review for the new construction of small structures not exceeding 10,000 square feet in floor area. The new structure would be approximately 6,800 square feet (about 9,300 square feet after adding the deck and walkway) and would therefore be exempt under this classification.

No significant effects on water quality or biotic resources would be expected. The project would be under the regulatory review and/or approval of the Bay Conservation and Development Commission. Any concerns about potential less-than-significant effects upon water quality during construction of the project would be addressed by the placement of special conditions upon the permits for the project.

For all of the above reasons, the proposed project is appropriately exempt from environmental review.

Contact Person: Diane Wong Telephone: 558-6322

Date of Determination:
May 26, 1999

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

for HILLARY E. GITELMAN
Environmental Review Officer

cc: Port of San Francisco
Sponsor
Bulletin Board/M.D.F.
Exemption/Exclusion File
G:\WPSI\CATEX\PIER28.WPD

EXHIBIT B

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Telex 275940 PSF UR
Fax 415 274 0528
Cable SFPORTCOMM
Writer

MEMORANDUM

November 12, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Permission to Re-advertise for Competitive Bids for the Hyde Street Harbor Landside Improvements Project, Construction Contract No. 2664

DIRECTOR'S RECOMMENDATION: TO APPROVE THE REQUEST FOR PERMISSION TO RE-ADVERTISE FOR COMPETITIVE BIDS FOR CONSTRUCTION OF THE HYDE STREET HARBOR LANDSIDE IMPROVEMENTS PROJECT, CONSTRUCTION CONTRACT NO. 2664

On October 26 1999, the Port Commission approved Port staff's request for permission to re-advertise for competitive bids for construction of the Hyde Street Harbor Waterside Improvements Project, Port Construction Contract No. 2663. Staff has advertised this project and bids are due in December, 1999.

The contract documents for the Hyde Street Harbor Landside Improvements Project are in final staff review and will be ready to advertise once staff's review is completed. Significant cost reduction design modifications have been incorporated into the revised landside project as compared to the project design advertised in May of this year. These cost reduction modifications have been included into the landside project without impacting any of the project's goals. The scope of the landside project includes the following items:

- New utilities along Hyde Alley, including a new asphalt paved surface.
- Partial demolition of the 490 Jefferson building to accommodate a new 24 car parking lot.

This Print Covers Calendar Item No. 7A

- New parking lot at the north end of Hyde Alley to accommodate 21 parking stalls.
- New bathroom, utility and storage facility located within the existing blue shed building on Hyde Alley.
- Public and disability access from Jefferson Street to the public access area at the north end of Hyde Alley.

The Bay Conservation and Development Commission has approved the permit for the original project. Staff is currently verifying with BCDC and Army Corp. that project modifications are consistent with the original permits and do not require permit amendments. In addition, the Mayor's Citywide Coordinator for Disability Access, the Fisherman's Wharf Advisory Committee, and the Environmental Quality Advisory Committee have approved the project design. The Port Commission previously accepted responsibility to manage a loan and grant from the Department of Boating and Waterways in the amount of $3,900,000 for the design and construction of the Hyde Street Harbor improvements. Port funds are also being used to fund the project. The Port will add approximately $1,000,000 of funding to the project.

The engineer's current cost estimate for the landside construction is $2,000,000, including a reasonable construction contingency, and the engineer's current cost estimate for the waterside construction is $1,830,000.

Therefore, staff requests permission to re-advertise Contract 2664, "Hyde Street Harbor Landside Improvements Project" for competitive bids, for construction of this project.

Prepared by: Joe Roger
Structural Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-91

WHEREAS, Port staff has separated the original Hyde Street Harbor Project into two projects: Hyde Street Harbor Waterside Improvements Project, and Hyde Street Harbor Landside Improvements Project; and

WHEREAS, on October 26, 1999, by Resolution No.99-86, the Port Commission authorized Port staff to advertise for competitive bids for construction of the Hyde Street Harbor Waterside Improvements Project, Port Construction Contract No. 2663; and

WHEREAS, the available funding balance for both the landside and waterside projects is nearly $5,000,000; and

WHEREAS, the current engineering cost estimate for the landside project construction, including a reasonable contingency, is $2,000,000; and the current cost estimate for both the waterside and landside projects is $3,830,000; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to re-advertise for Competitive Bids for Contract 2664, "Hyde Street Harbor Landside Improvements Project."

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 17, 1999.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Telex 275940 PSF UR
Fax 415 274 0528
Cable SFPORTCOMM
Writer

November 12, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Schematic Design for the development of the Ferry Building as a mixed use project.

DIRECTOR'S RECOMMENDATION: APPROVE SCHEMATIC DESIGN

BACKGROUND

The Ferry Building has long stood as a symbol of the San Francisco waterfront and is one of the City's most widely and easily recognized landmark buildings. The building serves a vital transportation function as a link between increasingly busy ferry operations on the bayside and existing and planned transit operations on the cityside. The building has also been a significant resource for the Port of San Francisco, housing the Port's administrative offices and providing important commercial rental income.

Through a competitive Request for Qualifications and Proposals process, the Port Commission by Resolution No. 98-114 (November 17, 1998) awarded to William Wilson and Associates ("WWA") the opportunity to enter into an exclusive right to negotiate with the Port to rehabilitate and lease the Ferry Building as a mixed use project. WWA and Cornerstone Properties, a national real estate investment trust, have since merged and are known as Wilson Cornerstone. An Exclusive Right to Negotiate agreement was executed by the Port and WWA Investors, LLC, a California limited liability company (the successor in interest to WWA for this agreement), on December 28, 1998 ("Exclusive Right"). The Commission on August 24, 1999 adopted the Final Negative Declaration for the Project and approved a Lease Disposition and Development Agreement ("LDDA") and Ground Lease ("Lease") with Ferry Building Investors LLC, a California limited liability corporation controlled by Wilson Cornerstone, the successor in interest to WWA following its merger with Cornerstone Properties.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

At that time, the staff report identified the approvals that must be obtained before the construction can proceed, with the current status as follows:

- Approval of the Ground Lease by the San Francisco Board of Supervisors (submitted to Board of Supervisors on September 22, 1999, now pending before the Finance and Labor Committee)

- Approval of Historic Preservation Certification Application Part 2 by the National Park Service (submitted on October 25, 1999 to State Office of Historic Preservation for review, recommendation and forwarding to the National Park Service)

- Approval of Design Recommendations by the Waterfront Design Advisory Committee (design recommendations approved October 19, 1999)

- Approval of the Schematic Design by the Port Commission (the subject of this report)

- Approval of a Parking Exemption by the S. F. Planning Department (application for exemption scheduled for submittal this month)

- Issuance of a BCDC Permit (application for permit scheduled for submittal in December, has been reviewed by the BCDC Design Review Board on May 27 and November 8, 1999)

- Issuance of a Building Permit by the Port (more detailed construction drawings for the Building Permit will be prepared and submitted by the Developer following Port Commission approval of the Schematic Design and National Park Service approval of the Historic Preservation Certification Application)

In addition, an Army Corps of Engineers approval may be required.

The developer expects to receive these approvals and to commence construction by January 2001, and expects to complete construction by June 2002. After the construction is completed, the Developer expects to receive certification from the National Park Service that the construction complies with the Secretary of Interior's Standards for Rehabilitation, making the project eligible for a 20% Federal Historic Preservation Tax Credit.

SCHEMATIC DESIGN

The Scope of Development involves the redevelopment and historic rehabilitation of the Ferry Building for ground level commercial retail space including a food market, dining establishments and services for water transit patrons and office space on the second and third floors. After construction is completed, the Port will retain approximately 3,000 usable square feet for its Commission meeting room and an ancillary office.

The Design Advisory Committee established by the San Francisco Planning Code for the Northern Waterfront reviewed the project design twice, and on October 18, 1999 approved design recommendations for the project. Those design recommendations are included within the Draft Meeting Minutes attached to this report, which Minutes are scheduled for Committee approval on November 16, 1999. The design recommendations approved the conceptual layout, site design, massing and general size and circulation of public areas with the exception of the central space on the ground floor where the nave and central axis intersect and the waiting area. The Committee expressed interest in the further review of project detailing, finishes, materials and colors of the public areas. Further input from the Committee will be sought by Port staff and taken into consideration prior to action on the Building Permit for the project.

The Port's Waterfront Land Use Plan and its Design & Access Element provide objectives, development standards and design criteria for the rehabilitation of the Ferry Building, included in the attached Commission Resolution No. 99-67, which are met by the project's Schematic Design as set forth in the attached plans.

Port policies and the Lease Disposition and Development Agreement provide for the Ferry Building to be rehabilitated consistent with the Secretary of the Interior's Standards for Rehabilitation. The Developer fully shares this goal, as evidenced by their Historic Preservation Certification Application. The Developer and Port staff intend to incorporate any changes that may ultimately be required by the National Park Service pursuant to their review of the Historic Preservation Certification Application into the construction drawings and building permit approvals for the project.

Port staff and the Developer will be making an informational presentation of the proposed design before the Landmarks Preservation Advisory Board immediately prior to the Commission's meeting on November 17th. Staff will advise the Commission at its hearing later that day of any Landmarks Board comments and advice.

RECOMMENDATION

Port staff recommends approval of the Schematic Design prepared by Ferry Building Investors, LLC, for the development of the Ferry Building.

Prepared by Paul Osmundson
Director, Planning & Development Division

I:\Alec\Ferry Bldg Schematic Design Memo.doc

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-90

WHEREAS, the San Francisco Port Commission ("Commission") wishes to preserve and restore the Ferry Building, pursuant to objectives, development standards and design criteria of the Port's Waterfront Land Use Plan and its Design & Access Element ("Waterfront Plan"); and

WHEREAS, the Commission on November 17, 1998 under Resolution No. 98-114 awarded William Wilson and Associates the opportunity to enter into an Exclusive Right to Negotiate agreement for the rehabilitation of the Ferry Building, following a competitive Request for Qualifications and Proposals process; and

WHEREAS, the Commission on August 24, 1999 adopted Resolution No. 99-67 finding that the Final Negative Declaration for the Ferry Building Project, case file no. 94.684E ("the Project") was adequate, accurate and objective, that there was no substantial evidence that the Project will have a significant effect on the environment, and adopting the Final Negative Declaration, mitigation measures and mitigation monitoring program prepared for the Project; and

WHEREAS, the Commission in Resolution No. 99-67 also approved the form and substance of the Lease Disposition and Development Agreement ("LDDA") and Ground Lease ("Lease") with Wilson Cornerstone ("Developer"), the successor in interest to William Wilson and Associates, for the rehabilitation of the Ferry Building; and

WHEREAS, the LDDA in Section 6.11(a) requires the Commission, acting at a public meeting, to review and approve the Schematic Drawings showing the general design of the project; and

WHEREAS, the Waterfront Land Use Plan, including its Design & Access Element, provides development standards and design criteria for the project site as described in Resolution No. 99-67; and

WHEREAS, the Waterfront Plan calls for the preservation and restoration of the Ferry Building, a designated San Francisco Landmark, to be consistent with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings ("Secretary's Standards"); and

WHEREAS, the Developer on October 25, 1999 submitted an Historic Preservation Certification Application, Part 2, ("Certification Application") to the State Office of Historic Preservation, which following its review and recommendations will forward the Certification Application to the National Park Service ("NPS") for review and approval as appropriate; and

WHEREAS, the "Scope of Development" attached to the LDDA provides general design objectives and development standards for the project; and

WHEREAS, LDDA Section 6.04 requires that Construction Documents conform to and be in compliance with the design approved by the Commission, the Secretary's Standards consistent with the project and preliminarily approved by the NPS in the Certification Application, and other requirements; and

WHEREAS, LDDA Section 6.07 provides that for exterior architectural appearance, aesthetics, and the design and appearance of interior and exterior historic fabric and spaces subject to regulation by the State's Historic Building Code, any elements incorporated in response to the requirements or reasonable requests by the NPS in reviewing the Certification Application shall be deemed acceptable to the Port; and

WHEREAS, San Francisco Planning Code Section 240.1(d) requires review of the urban design of the Project by the Design Advisory Committee ("Committee") established pursuant to the Waterfront Design Review Process set forth in Section 240(c); and

WHEREAS, the Committee conducted reviews of the Project on July 20, 1999 and October 19, 1999, and approved design recommendations included within its Meeting Minutes which have been provided to the Commission; and

WHEREAS, Port staff and the Developer provided the San Francisco Landmarks Preservation Advisory Board with an informational presentation on November 17, 1999, and received comments and advice which have been summarized for the Commission; and

WHEREAS, the Commission has reviewed the Schematic Drawings for the Project in accordance with the above-mentioned design and development standards and design recommendations; now, therefore, be it

RESOLVED, that the design for the Project incorporated in the Schematic Drawings reviewed by the Port are consistent with the Port's development objectives and design criteria for the site and the Committee's design recommendations; and, be it further

RESOLVED, that the Schematic Drawings for Ferry Building project are hereby approved; and, be it further

RESOLVED, that any changes in Final Construction Documents from the approved Schematic Design will be submitted to the Commission for review and approval only if the Port's Executive Director deems such changes to be materially inconsistent with the design approved by the Commission; and, be it further

RESOLVED, that for the exterior architectural appearance, aesthetics, and the design and appearance of interior and exterior historic fabric and spaces subject to regulation by the State's Historic Building Code, any elements incorporated in response to the requirements or reasonable requests by the NPS in reviewing the Certification Application shall be deemed acceptable to the Port and shall not require further review by the Commission.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 17, 1999.

_____

Secretary

I:\Alec\Ferry Bldg Schematic Design Resolution.doc

Waterfront Design Advisory Committee
DRAFT Meeting Minutes

Approved on

Meeting Date: October 19, 1999

Advisory Committee Members Present: Boris Dramov
Terezia Nemeth – Chair
Dan Hodapp (Vice Chair)
Sylvia Kwan

---

1. Minutes

The Design Advisory Committee unanimously approved the minutes from the August 10, 1999 meeting.

2. Ferry Building Renovation

The project was presented by Andrew Wolfram of SMWM Architects, Jay Turnbull, and Richard Springwater. The following is a summary of project features and issues related to its design:

- This is a tax credit project which will comply with the Secretary of Interior Standards for all historic elements. Many non-historic elements will be removed.
- The second front staircase to the second floor will be recreated to its original form.
- The reconstructed bayside of the building will include a cantilevered second floor, creating shelter for ferry passengers below.
- Pedestrians may move through the building at the center, at mid points on each wing, and through the arcade shop spaces that lead to the ground floor nave.
- The Port Commission Room will be located in the center of the second floor opposite the staircases.

Committee members made the following comments:
Mr. Dramov stated that conceptually, the Embarcadero elevation looks very good. Further reviews should be more detailed. Also, the bayside elevation looks good and suggested that the elevation be modeled to study window treatment details.

Mr. Dramov also stated that the canopies over the nave entrances on the north and south elevations looked foreign and that other options should be explored, or other methods of supporting a smaller canopy.

Mr. Hodapp inquired about the central space on the ground floor where the nave and central axis intersect. Whether options to create a heirarchy of spaces was explored as recommended by the Committee at the previous review, and if the waiting area was going

to remain as large as shown on the waterside. Mr. Springwater responded that these areas are still being studied and may change.

Mr. Ghosh liked the conceptual design and expressed concern about how the transportation functions of the project would occur. Mr. Springwater described the ticketing area in the central pass through on the ground floor and the ideas for signage.

Ms. Nemeth expressed support for the concepual design, program, and layout and stated that she will want to see the more detailed design elements including the canopy.

Mr. Hodapp made a motion to approve the conceptual layout, site design, massing and general size and circulation of public areas with the exception of the the central space on the ground floor where the nave and central axis intersect and the waiting area, with consideration of the environmental documents. Seconded by Mr. Dramov and unanimously approved by the Committee.

The Committee expressed interest in the further review of project detailing, finishes, materials and colors of the public areas.

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MEMORANDUM

November 10, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation by Development Teams submitting proposals for the Bryant Street Pier Project on Seawall Lot 330 and Piers 30-32, which includes the James R. Herman International Cruise Terminal.

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED

This staff report provides information on the two development teams which responded to the Bryant Street Pier Project Request for Proposals (RFP), which includes the James R. Herman International Cruise Terminal: LCOR San Francisco LLC and the San Francisco Cruise Terminal LLC. This report presents the information based on alphabetical order and does not reflect the relative ranking of the development team proposals.

A. Introduction and Background

San Francisco's existing cruise terminal at Pier 35 has long exceeded its capacity to efficiently meet the current and future needs of cruise lines and passengers. For over a decade, the Port of San Francisco has been working to bring a new cruise terminal development to the City of San Francisco. Over the past year and a half, the Port has worked closely with cruise industry experts and community representatives in preparation for the issuance of an RFQ/P for the development of a modern cruise terminal. Following extensive staff analysis of alternative sites and significant public input, the Port Commission selected Pier 30-32, together with Seawall Lot 330, as the preferred site for development of the James R. Herman International Cruise Terminal and mixed use development, which together comprise the Bryant Street Pier Project.

B. Issuance of Request for Developer Qualifications and Proposals (RFQ/P)

On May 25, 1999, the Port Commission approved Resolution No. 99-36, authorizing Port staff to issue an RFQ/P for the Bryant Street Pier Project. Consistent with the Waterfront Land Use Plan, Port staff then convened a 20 member Advisory Group made up of industry experts and community representatives. The Bryant Street Pier Project Advisory Group worked closely with Port staff in drafting the following Project Goals and Objectives for the RFQ/P:

- Provide a signature mixed use waterfront project which achieves a high level of year-round public use and support.
- Include development of the state-of-the-art James R. Herman International Cruise Terminal which enhances the Port's international reputation as a first class cruise destination and preserves and creates new maritime jobs on this site and throughout San Francisco's waterfront.
- Achieve a use and design program which respects and complements the existing South Beach neighborhood.
- Provide for the enhancement of the Port's financial position over the term of the leasehold.

The Port's primary objective for the Project is the development of a high-quality cruise terminal, as part of a mixed use project which provides a focal point on the waterfront, mid-way between Downtown and the new Ballpark. The Port envisions a modern cruise terminal with active, public-oriented uses providing a premier gathering place for the Bay Area, the City and the neighborhood.

In addition to the above goals, the RFQ/P listed specific Planning and Land Use, Financial and Urban Design Objectives for the Project.

C. Phase I: Qualifications

On June 4, 1999, Port staff issued the RFQ/P. Staff provided extensive public notice by publication and mail, and distributed more than 240 copies of the RFQ/P to interested parties. On July 26, 1999, four respondents submitted qualifications: Forest City Development, including Peninsular & Orient and General Atlantic (collectively "Forest City"), LCOR San Francisco LLC, including LCOR Incorporated, Lehman Brothers, AIG Insurance, Mosbacher and AeroSea Corporation (collectively "LCOR"), San Francisco Cruise Terminal LLC, including Lend Lease Development, PSA (USA) Inc., Chinese Maritime Transport Ltd. and Whitney Cressman LLC (collectively "SFCT"), and Urbatec.

Port staff, with the assistance of the real estate economics and planning firm of Economics and Planning Systems ("EPS") Inc., reviewed the submittals of the four respondents for completeness and for conformity with the requirements of the RFQ/P. Each team's qualifications and experience to develop and operate the Project were evaluated in light of the selection criteria outlined in the RFQ/P. Based on these evaluations, and as set forth in the Memorandum to Port Commission dated August 19, 1999 for Agenda Item 8B, Port

staff recommended that Forest City, LCOR and SFCT be invited to submit proposals for design and development of the Bryant Street Pier Project.

D. Phase II: Proposals

On September 3rd, 1999, Staff issued the Request for Proposals. On September 22, 1999, Forest City informed the Port that it was withdrawing from the RFQ/P process because the Project was "...not consistent with (the) company's long-term financial goals."

On October 28th, 1999, LCOR and SFCT submitted responses to the RFP. Their development teams, development concepts and financial proposals are summarized below. The Port Commission should note that changes and refinements have been made to the development teams and their concepts since qualifications were submitted in July. Such revisions were expressly permitted by the RFQ/P which, on page 36, stated that "short-listed" developers will be allowed to revise and/or supplement their Phase 1 submittals to make adjustments to add or change team members, consultants, respond to further public comments, direction from reviewing agencies or the Port, or otherwise reflect changed circumstances.

E. Summary of Development Teams

1. LCOR San Francisco LLC

Development Entity:	LCOR San Francisco LLC
Master Developer:	LCOR Incorporated
Public/Private Finance:	Lehman Brothers LCOR, Public/Private, Inc. AFL-CIO Urban Growth Property Trust
Cruise Terminal Operator:	Peninsular & Orient (P & O)
Preferred Terminal Operator:	International Terminal Operating Company (ITO) (a subsidiary of P & O)
Hotel Operator:	Hilton Hotel Corporation
Timeshare Operator:	Embassy Vacation Resorts/Grand Vacation Co.
Conference Center Operator:	Promus Hotel Corporation/Harrison Conference Operator/Network Conference Co.
Parking Operator:	Urban Growth Property Trust/Inter Park
General Contractor (Pier 30-32):	Bovis Construction

General Contractor (Seawall Lot):	Huber, Hunt & Nichols
Water Transit Developer:	AeroSea Corporation
Water Transit Operator:	Blue & Gold Fleet
Architecture:	
Site Planner and Terminal	Bermello Ajamil & Partners
Hospitality & Retail	Kaplan McLaughlin Diaz
Environmental	Tong C. Cheung Architects, Inc.
Landscape	BMS Design Group
Engineering:	
Civil/Infrastructure	Moffatt & Nichol Engineers
Consulting	Ove Arup & Partners
Marine	Ben C. Gerwick, Inc.
Traffic/Transportation	Wilbur Smith Associates
Geotechnical	Geo/Resource Consultants
Structural	Soha Engineers (Seawall Lot 330)
Mechanical/Electrical	Takahashi
Structural	Ingraham-Dejesse Associates
Legal Counsel:	
Land Use	Morrison & Foerster
Entitlement/Permit	Gladstone & Vettel
Community	James W. Haas, Esq.
Federal Legislative	The Washington Group
State Legislative	Nossaman, Guthner, Knox & Elliott
Community Relations:	Barnes Clarke & Associates
Environmental:	Public Affairs Management
Parking Consultant:	Carl Walker, Inc.
Energy:	Duke Solutions
Leasing Broker/Property Manager:	Colliers International
Marketing:	Sedway Group
Retail Tenant Consultant:	Siegal/Frand Partners
Graphic Designer:	3D Visions
Public Relations and Advertising:	Terry Pimsleur and Company

2. San Francisco Cruise Terminal LLC

Development Entity:	San Francisco Cruise Terminal LLC, includes: - Lend Lease Development (US) Inc. - Port of Singapore Authority (PSA) (USA) Inc. - Chinese Maritime Transport, Ltd. - Whitney Cressman LLC
Project Developer:	Lend Lease
Cruise Terminal Development, Operating and Marketing:	PSA (USA) Inc. and Chinese Maritime Transport Ltd.
Terminal Stevedore:	Metropolitan Stevedoring Company
Leasing:	Whitney Cressman LLC
Architecture/Planning:	Skidmore Owings and Merrill LLP (Lead) The Jerde Partnership (Lead) Powell Polytech Lynn Simon
Cruise Terminal Design:	Gee & Jensen
Regulatory/Entitlement Process:	Patri Merker
General Contractor:	Swinerton & Walberg
Legal Counsel: Corporate/General Entitlements	 Heller Ehrman White & McAuliffe Sheppard Mullin Richter & Hampton
Public Relations:	Alfred Williams Consultancy
Community Based Partner:	Delancey Street Foundation
Maritime Structural Engineering:	Cash and Associates (Lead) Structus
Environmental:	Environmental Science Associates (Lead) Duffey Ellington Orion Environmental Associates
Mechanical, Electrical, Fire Protection, Data,	Glumac International (Lead) NBA Engineering

Telcommunications Engineering:	F.W. Associates
Structural Design and Seismic Evaluation of Buildings:	Rutherford and Chekene (Lead – Pier) Middlebrook and Louie (Lead – Seawall Lot) Faye Bernstein
Geotechnical and Environmental Engineering:	Subsurface Consultants (Lead) Olvia Chen
Civil/Traffic/Survey:	Korve (Lead) Polytech CHS Consulting
Models:	Spangler Associates
Interiors:	Kai-Yee Woo/Delgado
Landscape:	Patricia O'Brien
Acoustics/AV:	Charles Salter
Lighting/Daylighting:	Horton-Lees
Graphics/Advertising:	Primo Angeli
Code:	Rolf Jensen & Associates
Disabled Access:	Kim Blackseth August Longo
Survey and Mapping:	Bik Wah International
Vertical Transportation:	Edgett/Williams
Reproduction:	Elite Reprographics
Community Relations:	Jane Winslow Consulting
Market Research:	PKF and ERA
Hotel Operator:	Starwood Group

F. Summary of Development Concepts

1. LCOR

Pier Use Program

Cruise Terminal:

147,718 sf, 3-level terminal at southeast corner of the pier
Serving 2 Berths – 1000' East berth
1000' South berth

Level 1 – Grand foyer entrance, U.S. Government offices, Customs Inspection Station, embarkation lobby, baggage hall area, exhibition space, baggage transfer station, airline check-in/rental car, ground transportation area, including bus stalls, limousine/taxi pick up and drop off, parking. All parking, curbside waiting, loading and offloading will occur within the Terminal Complex.

Level 2 – Bon voyage garden, VIP rooms/cruise line offices

Level 3 – Gangways, security, conference center/offices, atrium, passenger check-in lounge, San Francisco International Office Center, waiting garden, bon voyage area

Roof Level – Skyline Walkway

Retail and Entertainment:

Retail (non-restaurants) and Entertainment (excluding theater) = 172,903 sf
Restaurants (including "*Wine Experience*" and preserving Red's Java House in present location) = 50,487 sf
1000-Seat Theatre (for Broadway plays, live entertainment and intimate concerts) = 43,674 sf

Office:

Office = 307,501 sf

Public Access and Open Space:

Open Spaces/Plazas = 206,459 sf (including PortWalk at Pier perimeter on non-cruise days, Brannan Street Entry Plaza, Winter Garden, Roof Garden, North Basin Plaza)

Parking:

Parking = 231 spaces, 107,823 sf

Parking and road system allows for the flexibility to close down streets to accommodate pedestrian activities.

Other:

Conference Center = 74,441 sf
Museum = 15,000 sf
Water Taxi = 540 sf
Pier Expansion = 68,214 sf
Roadways = 154,912 sf

Seawall Lot Use Program (2 options)

Option 1:

Hotel, 537 rooms = 397, 956 sf
Timeshare, 168 units = 190,440 sf
Retail = 18,159 sf
Parking = 655 spaces

Option 2:

Hotel, 312 rooms = 238, 272 sf
Timeshare, 64 units = 106,806 sf
Retail = 43,647 sf
Parking = 500 spaces

Note:

LCOR proposed a development program on an adjacent lot owned by Caltrans which includes a 572 stall parking garage, 18 stall staging area for Golden Gate Buses, a 9,352 sf Caltrans maintenance facility and a 160-unit residential apartment complex. The Port does not own or control this property.

Overall Parking Summary

Total Spaces = 886 or 731
Pier 30-32 = 231
Seawall Lot 330 = 655 or 500

2. SFCT

Pier Use Program

Cruise Terminal:

100,000 sf, 2-level terminal at northeast corner of the pier
Serving 2 Berths – 1000' East berth
850' North Berth
Option of 3rd East Berth with Southern Extension

Level 1 – Federal Inspection Service (Customs, Immigration, FDA processing zone), luggage handling, other support areas, parking, vessel stores, equipment, storage areas for vessel fixtures and rigging, safety/fire equipment, separate facilities for harbormaster, stevedores and Pier staff and ship crew, 18 curb side bus drop-off spaces. Passenger car drop-off, taxis and excursion van areas.

Level 2 – Grand staircase with balconies and viewing platforms lead to multi-functioned "Great Room" arrival/departure hall for passengers, controlled access to ships and full service kitchen

Great Room - Can accommodate up to 3,500 people for functions, exhibition/convention and cultural spaces, community and civic events, (24,000 sf available for booking in peak-season, 70,000 sf in non-peak season)

Galleria – Upper level spaces connected by galleria overlooking roof gardens

Retail and Entertainment:

Pier Retail Total = 186,900 sf
Restaurants/Bars = 49,000 sf
Other Retail (includes Fast Food, Entertainment, Home/Office, Apparel, Acessories, Leisure, Service Related, Consumer Food) = 137,900 sf

Office:

Subject to regulatory approval, maritime, World Trade Center and other offices are proposed as compatible uses.

Public Access and Open Space:

Public promenade will include Cruise Terminal aprons when no ships are at berth. Upper level link ways will be open to public when ships are not in port and can connect to accessible public access around the entire pier.

Lagoon – 160' wide circular waterway with views, dropped platforms and viewing terraces, small public mooring area and public fishing.

Parking:

Pier 30-32 = 542 spaces

Additional car parking on pier is possible through a potential valet parking system if required.

Seawall Lot Use Program

Hotel:

400-room full service 4-star hotel operated by Starwood Group

Timeshare/Rental Apartments:

111 time-share or rental apartments operated by Starwood Group

Retail:

Seawall Lot Retail Total = 20,500 sf
Food Related (specialty supermarket/Napa wines) = 10,000 sf
Service Related (dry cleaners, drug store) = 10,500 sf

Parking:

Seawall Lot = 187 spaces on two levels

Parking on SWL would be valet for hotel guests and private parking for rental apartments and time-share.

Other:

12,000 sf of public hotel meeting and conferencing areas

Overall Parking Summary

Total Spaces = 729
Pier 30-32 = 542
Seawall Lot 330 = 187

Breakdown of spaces:
Cruise Terminal: 250
Retail: 250
Office: 88
Hotel: 30
Rental Apartments/Time-share: 111

G. Summary of Financial Proposals

See attached Exhibit A.

Prepared by: Anne Cook
Manager, Waterfront Development Projects

Carla Bagneschi
Planner II

EXHIBIT A

Summary of Bryant Street Pier Financial Proposals

	San Francisco Cruise Terminal LLC (SFCT)	LCOR San Francisco LLC (LCOR)
Project Cost	$268,254,895 (Does not include pier repair or reinforcement.)	$350,000,000 to $375,000,000
Lease Term	66 years plus option to extend for an additional 33 years	66 year unsubordinated ground lease with 3 successive options to extend for 10 years each.
Funding Plans		
SFCT Base Financing Proposal/ LCOR Option 1	*Equity*: SFCT will provide a minimum of 20% and maximum of 40% equity to the project. *Construction Financing*: SFCT will seek a 3-4 year construction loan w/ possible 1-2 year extension for 60-80% of the project funding. *Long Term Financing*: The proposal contemplates multiple credit facilities, with separate fixed rate financing for each project component i.e. hotel, office and retail, parking, etc.	*Equity*: LCOR and various joint venture partners will provide 25% equity (approximately $50-75 million). *Construction Financing*: A set of construction loans will be arranged for each project element individually. *Long Term Financing*: Construction loans will be taken out with long term fixed rate financing secured by the leasehold improvements. May be multiple financings. Debt repayment will be subordinate to guaranteed rent to the Port.
SFCT Alternate 1/ LCOR Option 2	*Equity*: Same as Base Financing *Construction/Long Term Financing*: SFCT proposes that the Port form a public benefit corporation which would enter into an agreement with SFCT to build the public components of the project. The Port would then issue tax-exempt bonds to finance these public components and loan the money to the corporation. If the corporation is not able to borrow sufficient amount to finance the public components, SFCT would issue tax-exempt subordinate lien bonds to cover the shortfall. Port bond repayment would be secured by the payments received under the loan agreement. SFCT has listed potential "public components" as the cruise terminal, parking garage, hotel, and infrastructure improvements.	*Equity*: Same as Option 1 *Construction/Long Term Financing*: LCOR proposes that the Port issue tax exempt revenue bonds to finance the public improvements for the project. The public improvements include pier improvements, roads, utilities, public areas, and the cruise terminal/conference center. LCOR has indicated that the public improvements would cost $115,665,000 including issuance costs. The bonds would be secured by project revenues from the public improvements, and by the lease payments from LCOR for the private improvements, which include retail, office, parking, hotel, theater and water taxi. The private improvements would be

	There was not an indication as to what dollar amount of the project this represents, or which improvements would be considered the "private improvements."	developed and financed by LCOR. The Port would own the public improvements and be responsible for all expenses associated with those improvements.
SFCT Alternate 2/ LCOR Other Financing Structures	If possible, incorporate the pier and seawall lot into the adjacent redevelopment area and issue tax increment bonds to help finance the public infrastructure, including pier upgrade.	1) If possible, incorporate the pier and seawall lot into the adjacent redevelopment area and issue tax increment bonds to help finance the public infrastructure. 2) Have the Port issue COP's instead of revenue bonds. 3) Lease the conference center to the city and set rental payments equal to the amount of sales tax, hotel occupancy tax and ad valorem taxes to be generated by the project.
Base Rent	In the Base Proposal, $850,000/year beginning in 2001, increasing 3% per year, guaranteed for the first five years of operation. This proposal assumes that total project costs are 100% financed by equity and does not include pier repair or reinforcement.	"Holding Rent" of approximately $1,900,000 during the development period. "Guaranteed Rent" beginning when operations commence. A base figure is not given in the proposal, however, the amount $2,363,191 is indicated in the pro-forma cash flows under Option 1 for the first full year of operation. (2004)
Participation Rent	In the Base Proposal, 20% of Project's Net Operating Income after all operating and capital expenditures, and after developer's return of 12% on Total Project Costs.	Will be provided based on net operating income after payments to equity investors. % of net operating income not specified. % preferred return on equity to investors not specified. Additionally, proposing "Home-Run Insurance" equal to 25% of net operating income generated beyond income projections.
Participation in Proceeds from Sale or Refinance of Leasehold	Open to discussion.	10% of net proceeds from sale or refinance of the project.
Maintenance and Management	In SFTC's Base Proposal, SFTC will undertake initial dredging of Northern Berth, thereafter, the Port will be responsible for maintenance dredging and pier maintenance. • SFTC will manage the Project • PSA will manage the Cruise Terminal	Open to discussion. Options include Port as Manager or Private Operator as Manager, or a combination. ITO identified as preferred terminal operator.

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MEMORANDUM

November 12, 1999

TO: MEMBERS. PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation Regarding Results of *Request for Qualifications for Real Estate Economics and Other Consulting Services for Waterfront Development Projects*

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED

BACKGROUND

In 1997, the Port Commission adopted the Port of San Francisco's Waterfront Land Use Plan ("Waterfront Plan"), thereby ending a seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for future use of Port property. This accomplishment, along with the current real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in the revitalization of Port property. In pursuit of the goals of the Waterfront Plan, the Port intends to implement a series of waterfront development projects, some of which are already well underway.

It is expected that each development project will be financially feasible and will maximize public benefits and Port revenues. To properly and expeditiously accomplish these objectives, the Port needs to work with consultants having expertise in real estate market and financial research and analysis, site planning and urban design, architecture, historic preservation, engineering (structural, soils, marine and other), transportation, project approvals, community relations and other real estate development services for specific development opportunities.

THIS PRINT COVERS CALENDAR ITEM NO. 8C

Request for Qualifications

On September 17, 1999, the Port issued a *Request For Qualifications for Real Estate Economics and Other Consulting Services for Waterfront Development Projects* ("RFQ") for consultants or teams of consultants ("Consulting Teams") interested in being placed on a list of qualified consulting teams ("Qualified List") from which the Port would solicit proposals for consulting services for each project listed below ("Current Projects"), and possibly future, additional projects to be identified:

- The Bryant Street Pier Project, including the James R. Herman International Cruise Terminal (Piers 30-32 and Seawall Lot 330)
- Piers 27-31 Active Recreational Project
- Pier 45, Shed A Public Attraction
- The Pier 70 Project
- Southern Waterfront (Piers 90-94 backlands)

As stated in the RFQ, each Consulting Team must be led by a real estate economics consulting firm ("Lead Consultant"), and have the necessary expertise to provide an array of services, including detailed financial, economic and market research and feasibility analyses for real estate development projects; advise and make recommendations to Port staff on various aspects of developer solicitation; and help facilitate Port development projects from conception through real estate negotiations with selected developers. In addition, the specific areas of expertise for each of the five Current Projects were outlined in detail in the RFQ, and are summarized as follows:

- Bryant Street Pier - expertise in the planning and development of new, modern passenger cruise terminal, hotel, residential and retail facilities;
- Piers 27-31 - expertise in large-scale active recreation facilities;
- Pier 45 Shed A - expertise in for-profit and non-profit public attractions;
- Pier 70 - expertise in historic preservation, land use and site planning, preliminary engineering, architecture, urban design and development of lands with a likelihood of environmental contamination; and
- Southern Waterfront - expertise in land use and site planning, preliminary engineering, architecture, urban design and development of lands with a likelihood of environmental contamination.

Due to the unique nature of some of the projects, the Port anticipated that not all Consulting Teams would be qualified for all projects. Therefore, Consulting Teams were asked to identify the projects for which they wished to be considered.

Outreach

The RFQ was published on September 17, 1999. Public notice of its availability was published in local newspapers. Over 2,000 notices were mailed or otherwise distributed to individuals and

businesses, including all those who had previously requested notice, previous bidders on major Port projects, the Human Rights Commission's listings of certified minority/women business enterprises, and others that Port staff believed would be interested in this opportunity. During the process, more than 150 copies of the RFQ were distributed to parties including economic consulting firms, architects, engineers, planners and other interested parties.

A pre-submittal meeting was held on September 29, 1999 in the Port Commission Room. Approximately 85 individuals were in attendance. A summary of questions and answers from the meeting was provided to all known parties that received a coy of the RFQ.

Results of the RFQ

Port Staff received qualifications from 6 proposed Consulting Teams. (See Exhibit A) Using the evaluation criteria outlined in the RFQ, Port staff determined that all 6 proposed Consulting Teams should be placed on the Qualified List.

Next Steps

As stated in the RFQ, the Port intends to solicit proposals for each project from two or more Consulting Teams on the Qualified List. The Port's budget for each project, or component thereof, could range from $10,000 to $180,000 depending upon the final scope of work. Proposed contracts for each project will be brought to the Port Commission for approval.

Human Rights Commission Requirements

Pursuant to Chapter 12D, of the San Francisco Administrative Code, the following rating bonus will be in effect for proposals solicited subsequent to this RFQ. If applicable, the rating bonus will be one of the following:

(a) 5% for a Lead Consultant that is an HRC certified economically disadvantaged Local Business Enterprise ("LBE").

(b) 5% for a joint venture that is composed of only economically disadvantaged LBEs with no local Minority Business Enterprise ("MBE") or Woman Business Enterprise ("WBE") prime participation or with local MBE/WBE participation that is less than 35% (a joint venture that includes a non-LBE partner is not eligible for rating bonus).

(c) 5% for a joint venture which includes at least 35% (but less than 40%) prime participation by certified local MBEs or WBEs.

(d) A maximum of 7½% for a joint venture that includes 40% or more in prime participation by certified local MBEs or WBEs.

(e) 10% for a joint venture between two certified local MBEs and/or WBEs.

(f) 10% for a Lead Consultant certified as an MBE or WBE.

MBE and WBE sub-consultant participation will be a requirement for contracts awarded subsequent to this RFQ process. For total contract dollars expended subsequent to this RFQ process, the Port's goal is to achieve sub-consultant participation in the following percentages:

a) 15% Minority Business Enterprise (MBE); and

b) 5% Woman Business Enterprise (WBE).

To assist the Port in achieving this goal, Consultant Teams were strongly encouraged to include MBE and WBE Sub-Consultants. As the Port strives to achieve this goal, it will consider a Consultant Team's MBE and WBE Sub-Consultant participation when choosing consultants for particular projects.

Prepared by: Anne Cook, Manager, Waterfront Development Projects

Exhibit A

RFQ for Real Estate Economics and Other Consulting Services for Waterfront Development Projects
Summary List of Qualified Consulting Teams
November 1999

Lead Consultant (Real Estate Economics)	**Bay Area Economics ****	**Economic & Planning Systems**	**Economic Research Associates**
Discipline	***Team Members***		
Market and Financial Research and Analysis	Pannel Kerr Forster Planning and Applied Economics Douglas Wright Consulting Terranomics	HVS International Sports Management Group CSG Max Management	Arcost * The Maritime Group
Site Planning and Urban Design	EDAW Pittman & Hames Associates *** Public Affairs Management	Ken Kay Associates	Sasaki Associates
Architecture	Heller Manus Bruno-Elias Associates	Robin Chiang & Company	Robin Chiang & Company
Historic Preservation	Architectural Resources Group	Architectural Resources Group	Architectural Resources Group
Engineering & Environmental	Olivia Chen Consultants *** Bruno-Elias Associates Erler & Kalinowski, Inc.	Olvian Chen Consultants *** Han-Padron Associates NBA Engineering IHI Environmental	Pete O. Lapid & Associates * Olivia Chen Consultant *** Han-Padron Associates URS Corp. Treadwell & Rollo, Inc.
Transportation	Pittman & Hames Associates ***	Pittman & Hames Associates *** The Duffey Company **	CHS Consulting *
Project Approvals & Community Relations	Public Affairs Management	Real Estate Planning Strategies ** Shute, Mihaly & Weinberger	Real Estate Planning Strategies ** Public Affairs Management
Maritime	Bruno-Elias Associates	Tectonics Frederick R. Harris Roger L. Peters	The Maritime Group URS Corp.

* A certified Minority Business Enterprise
** A certified Woman Business Enterprise
*** A certified Minority / Woman Business Enterprise

Exhibit A

RFQ for Real Estate Economics and Other Consulting Services for Waterfront Development Projects
Summary List of Qualified Consulting Teams
November 1999

Lead Consultant (Real Estate Economics)	**Hausrath Economics Group**	**Keyser Marston Associates, Inc.**	**Sedway Group ****
Discipline	*Team Members*		
Market and Financial Research and Analysis	Hausrath Economics Group	KMA Causby & Company Scott Hospitality CSG Advisors	Sedway Group ** Bermello, Ajamil & Partners CSG Advisors, Inc. JB Research Company Martin Associates
Site Planning and Urban Design	Sasaki Associates, Inc.	BMS Design Group Field Paoli	Sasaki Associates
Architecture	Architectural Resources Group	Architectural Resources Group	Sasaki Associates
Historic Preservation	Architectural Resources Group	Architectural Resources Group	Architectural Resources Group
Engineering & Environmental	Ansari Structural Engineers, Inc. ** Geo/Resource Consultants, Inc. Ben C., Gerwick, Inc. EIP Associates	Olivia Chen Consultants *** Don Todd Associates 3d Visions ** Ward & Associates *	AGS, Inc. Han-Padron Associates Orion Environmental Associates ***
Transportation	CHS Consulting Group *	Pittman & Hames *** The Duffey Company ** Wilbur Smith	CHS Consulting Group * Nelson\Nygaard Consulting Associates **
Project Approvals & Community Relations	Real Estate Planning Strategies **	Dean Macris	Real Estate Planning Strategies ** Brad Paul
Maritime			

* A certified Minority Business Enterprise
** A certified Woman Business Enterprise
*** A certified Minority / Woman Business Enterprise

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
4:00 P.M., NOVEMBER 17, 1999

1. **ROLL CALL**

Commission President Denise McCarthy called the meeting to order at 4:30 p.m. Commissioners McCarthy, Brandon, Hardeman and Lee were present. Commissioner McWilliams was not present.

2. **APPROVAL OF MINUTES** - October 26, 1999 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the October 26, 1999 meeting were adopted.

3. **EXECUTIVE**

A. Executive Director's Report: Mr. Wong reported the following:

1) Pier 27-31 RFP was released this week. The Commission authorized the issuance of the RFP in September, which calls for a mix of recreational uses on three spectacular piers of the northern waterfront. Proposals are due in March 2000.

2) Port staff is finalizing its negotiations on amendments to the BCDC plan for the San Francisco waterfront. Both Port and BCDC staff have worked hard on the planning documents. Port staff will schedule an informational briefing at the Commission's first meeting in December. There will also be a public hearing on the plan amendments at the December 16, 1999 BCDC meeting.

Commissioner McCarthy asked the Executive Director to report at the next meeting regarding the steps being taken to protect Port property during the New Year's Eve celebration. Mr. Wong replied that staff will prepare a report at the next meeting but apprised the Commission that Port staff is working with the Police department and Port tenants on this event.

B. Resolution awarding Representative Nancy Pelosi the Maritime Merit Award, with the Rank of Admiral, for her support of the Port of San Francisco's Maritime Industries and Transportation Projects. (Resolution No. 99-89)

Veronica Sanchez, Manager of Governmental Affairs, indicated that the Order of Maritime Merit Award, with the Rank of Admiral, is the San Francisco Port Commission's highest award for distinguished service to the Port. This award has

been used to honor dignitaries, Commissioners or Port Directors at the end of their tenure. The Port Commission may consider awarding this distinction to individuals who have shown exemplary leadership in helping the Port meet its trust mandated mission of providing maritime, commercial and recreational opportunities along San Francisco's waterfront.

Representative Nancy Pelosi has represented California's 8th Congressional District, encompassing all of the Port of San Francisco, for 12 years. She has been a strong and dedicated advocate for the revitalization of San Francisco's waterfront. Though her leadership and expertise, the Port of San Francisco has benefited from new funding opportunities for Port projects. Representative Pelosi has been committed to maintaining industrial and maritime jobs on San Francisco's waterfront. She has worked hard to develop and support Federal funding opportunities for projects that improve facilities for the Port's maritime industries. Most recently, Representative Pelosi assisted the Port in acquiring a surplus drydock from the U.S. Department of General Services for San Francisco Drydock, Inc. (SFD), the Port's largest maritime tenant. This acquisition of the new drydock for $93,600 allowed the Port to replace an old piece of equipment which otherwise would have cost the Port more than $7 million to replace. The new drydock, provides SFD more flexibility to attract new types of commercial ship repair work. The new drydock will also provide the San Francisco Maritime Historical Park with a convenient shipyard for restoring its historical vessels at Hyde Street Pier.

Representative Pelosi has been at the forefront in helping the Port upgrade its ferry facilities to meet the region's increasing demand for ferry transit. The commercial and recreational users of the Port have directly benefited from Representative Pelosi's leadership on the Mid-Embarcadero transit and beautification improvements. Through her work, Representative Pelosi has helped our Port meet its core maritime mission and enabled more San Franciscans to enjoy our spectacular waterfront. Her leadership in Washington, D.C. has been critical to the revitalization of San Francisco's waterfront. Staff is pleased to recommend that Representative Pelosi be honored with the Maritime Merit Award. This award will be presented to Representative Pelosi at a December 2nd ceremony when she christens the Drydock Eureka.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-89 was approved.

4. CONSENT CALENDAR

A. Approval of Sublease between The California Foundation on the Environment and the Economy as Tenant and Contra Integrated, Inc. as Subtenant at Pier 35 (The Embarcadero at Bay Street). (Resolution No. 99-94)

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-94 was approved.

5. MARITIME

6. REAL ESTATE

A. Approval of a 25 year Lease with two 5-year options with J. Kennedy, Inc. for Restaurant Space at Pier 28. (Resolution No. 99-92)

Paul Osmundson, Acting Real Estate Director, indicated that James Kennedy, Sr. and James Kennedy, Jr. have operated the Boondocks Restaurant at Pier 28 since 1986. The tenant under this lease is J. Kennedy, Inc., a California corporation, dba Boondocks Restaurant ("J. Kennedy, Inc."), which is wholly owned by the Kennedy family. Their tenancy has been on a month-to-month basis since the lease expired on June 30, 1996. The current monthly base rent is $1,763.85, versus percentage rent calculated at 7% of gross receipts.

Pursuant to the Policy for Leasing Retail Business Sites (the "Retail Policy" discussed below), J. Kennedy, Inc. has now requested a new long-term lease. J. Kennedy, Inc. has also submitted a business plan for redeveloping the restaurant, which includes a significant investment. Pursuant to the Retail Policy, Port staff has reviewed the compliance of J. Kennedy, Inc. with the criteria for direct negotiation of a long-term restaurant lease.

For a longer term lease to be awarded to an existing retail tenant through direct negotiation, the Port Commission must determine that:

1. The tenant is in good standing;
2. The tenant is committed to making a significant capital investment supported by a sound business plan which will benefit the Port;
3. The tenancy is in the best economic interest of the Port, and the tenant is the best economic tenant available; and
4. The tenant has a good record of affirmative action and nondiscrimination and is committed to future compliance.

Staff found that J. Kennedy, Inc. meets all of the criteria. The proposed lease is as follows:

1. Tenant: J. Kennedy, Inc., a California corporation.
2. Premises: 6,000 sq. ft. Gross Leasable Area ("GLA") of total restaurant space located at Pier 28. Current footprint of the building is 2,225 sq. ft.
3. Term: A twenty-five (25) year term, with two (2) five (5) year options.
4. Use: A full-service restaurant and operation of a take-out food service.
5. Base Rent: Initial Base Rent of $18,000.00 per month, which equals $3.00 per sq. ft. GLA, subject to annual cost of living increases.
6. Percentage Rent: Percentage rent, which shall be offset by Base Rent paid, shall be calculated and paid monthly by applying the percentage rates indicated below to the gross sales of the indicated types of sales:

Full service restaurant food and bar sales -- 7%
Take out food service ----------9%
Retail and other sales ----------9%

7. Maintenance: Tenant responsible for all maintenance to the Premises, including the exterior, and the pier substructure.

The City Planning Department, Office of Environmental Review issued a Certification of Determination of Exemption/Exclusion from Environmental Review for the demolition of the existing restaurant and the replacement with a larger two story restaurant building.

Commissioner Brandon asked about the lease commencement. Mr. Osmundson replied that the tenant must first prepare their construction plans, specifications, and receive regulatory approvals. They have 180 days to construct the facility and the lease term will begin thereafter. Commissioner Brandon asked about the income to the Port prior to lease commencement. Mr. Osmundson replied that they will remain on their existing month-to-month lease.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 99-92 was approved.

7. FACILITIES & OPERATIONS

A. Authorization to re-advertise for competitive bids Contract No. 2664, "Hyde Street Harbor Landside Improvement Project." (Resolution No. 99-91)

Ed Byrne, Senior Civil Engineer, indicated that the contract documents for the Hyde Street Harbor Landside Improvements Project are in final staff review and will be ready to advertise once staff's review is completed. Significant cost reduction design modifications have been incorporated into the revised landside project as compared to the project design advertised in May of this year. These cost reduction modifications have been included into the landside project without impacting any of the project goals. The scope of the landside project includes the following items:

- New utilities along Hyde Alley, including new asphalt paved surface.
- Partial demolition of the 490 Jefferson building to accommodate a new 24-car parking lot.
- New parking lot at the north end of Hyde Alley to accommodate 21 parking stalls.
- New bathroom, utility and storage facility located within the existing blue shed building on Hyde Alley.
- Public and disability access from Jefferson Street to the public access area at the north end of Hyde Alley.

The Port Commission previously accepted responsibility to manage a loan and grant from the Department of Boating and Waterways in the amount of $3,900,000 for the design and construction of the Hyde Street Harbor improvements. The Port will add approximately $1,000,000 of funding to the project. The engineer's current cost estimate for the landside construction is $2,000,000, including a reasonable construction contingency, and the engineer's current cost estimate for the waterside construction is $1,830,000.

Mr. Byrne requested Commission's permission to re-advertise Contract 2664, Hyde Street Harbor Landside Improvements Project.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 99-91 was approved.

B. Reconsideration of authorization to award Contract No. 2660, "Construction of the China Basin Ferry Terminal" pursuant to Resolution No. 99-78. (Resolution No. 99-95)

Leo Bragagnolo, Project Manager, indicated that at the October 12 Commission meeting, staff presented this item and received authorization to award the contract to Vortex Diving, Inc. subject to the Board of Supervisors' release of the FTA grant funds and Muni's determination that the low bid met the FTA DBE 15% goal. The Commission's authorization to award was also prior to the Port's receipt of the protest filed by the second low bidder. Since that prior Commission meeting, the Board of Supervisors has released the FTA funds and Port staff and the City Attorney's office have addressed the bid protest of Valentine Corporation. Staff is seeking Commission authorization to award Contract No. 2660 to Vortex Diving, Inc. provided that the Muni Office of Contract Compliance finds that the Vortex Diving, Inc. bid complies with FTA DBE regulations.

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 99-95 was approved.

8. PLANNING & DEVELOPMENT

A. Approval of the conceptual design of the Ferry Building Project. (Resolution No. 99-90)

Paul Osmundson, Director of Planning & Development, indicated that the Ferry Building has long stood as a symbol of the San Francisco waterfront and is one of the City's most widely and easily recognized landmark buildings. Staff issued a RFQ/P and selected William Wilson as the developer of the Ferry Building. William Wilson has since merged with Cornerstone properties. Staff has successfully negotiated a ground lease and development agreement for the project. The City and the Port are very fortunate to have a developer of the capacity and quality of Wilson Cornerstone on this project.

The following approvals must be obtained before construction can proceed, with the current status as follows:

- Approval of the Ground Lease by the San Francisco Board of Supervisors (submitted to Board of Supervisors on September 22, 1999, now pending before the Finance and Labor Committee)

- Approval of Historic Preservation Certification Application Part 2 by the National Park Service (submitted on October 25, 1999 to State Office of Historic Preservation for review, recommendation and forwarding to the National Park Service)

- Approval of Design Recommendations by the Waterfront Design Advisory Committee (design recommendations approved October 19, 1999)

- Issuance of a BCDC Permit (application for permit scheduled for submittal in December, has been reviewed by the BCDC Design Review Board on May 27 and November 8, 1999).

The Scope of Development involves the redevelopment and historic rehabilitation of the Ferry Building for ground level commercial retail space including a food market, dining establishments and services for water transit patrons and office space on the second and third floors. After construction is completed, the Port will retain approximately 3,000 usable square feet for its Commission meeting room and an ancillary office.

Mr. Osmundson thanked Legal Counsels Neil Sekhri and Dianne Miller for their efforts on this project. He introduced representatives of the developer: Chris Meany, Wilson Meany, Mary Murphy, Richard Springwater and Cathy Simon.

Cathy Simon of SMWM provided the Commission a brief summary of the conceptual design of the Ferry Building. The second front staircase to the second floor will be recreated to its original form. The reconstructed bayside of the building will include a cantilevered second floor, creating shelter for ferry passengers below. Pedestrians may move through the building at the center, at mid points on each wing and through the arcade shop spaces that lead to the ground floor nave. The Port Commission Room will be located in the center of the second floor opposite the staircases. The ground floor of the Ferry Building will be a public market. The Ferry Building edges will be used for gathering, for shops, for eating, etc., all of which will be local businesses in the area. The signs in front of the building will be restored. The edges of the building on the Embarcadero side will be used for public market and cafes. The whole building will become a vehicle and showcase for a colorful part of San Francisco life. The ends of the building will be treated as the building was originally planned with a series of big arch windows and will become an open space inside the building. Entrance to the building would be: (1) through the center, under the tower, (2) through the north and south sides.

The idea is to welcome people from both directions. The nave of the building will be rebuilt. Approximately 630 feet of new public space on both the first and second floors will be added to make the building memorable in terms of its historic character as well as infusing life into it. A new layer of brick at the lower level will be added that will allow physical connection between the lower level and the old brick arches. The old windows will be rebuilt. The idea is to make it a place that is resonant of the past and looks very much to the future - a place where people come on weekends, on the evenings, weekdays, lunchtime and enjoy this special place on the bay.

Michael Levin indicated he was upset when the original plan was unveiled last year. The rendition of the nave area looked hardly different from the Continental development proposal of 1981, which envisioned removing the entire second floor nave and putting everything on the ground floor. Since then the proposal has been vastly improved. However, he was still concerned about the historic preservation of this building as it is important to San Francisco. He asked that the north staircase be put back in its original location and would like to see more of the second floor.

Ernestine Weiss indicated that she is in favor of the design of the Ferry Building project.

Mr. Osmundson indicated that the developers have done an outstanding job and used care and great talent as evidenced in the beautiful design of the Ferry Building.

Commissioner McCarthy commented that the developers have done an amazing job on the restoration job that had a lot of constraints.

Commissioner Hardeman commented that this is way beyond what the Commission had expected. The developers were able to incorporate the ideas from the four proposals. He was honored to be on the Commission at a time where a lot of developments are happening on the waterfront and to be able to hear the presentations and approve the projects as well.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-90 was approved.

B. Informational Presentation by Development Teams submitting proposals for the Bryant Street Pier Project on Seawall Lot 330 and Piers 30-32, which includes the James R. Herman International Cruise Terminal.

Paul Osmundson, Director of Planning & Development, indicated that this is another extremely exciting project for the Port. Staff started working on this project many years ago. He thanked Port staff - Maritime Division, Peter Dailey, John Davey, Gerry Roybal, Denise Turner, Mike Nerney. Carla Bagneschi, Anne Cook, Veronica Sanchez, Leo Bragagnolo and Ed Byrne.

Anne Cook, Waterfront Development Projects Manager, indicated that San Francisco's existing cruise terminal at Pier 35 has long exceeded its capacity to efficiently meet the current and future needs of cruise lines and passengers. For over a decade, the Port of San Francisco has been working to bring a new cruise terminal development to the City of San Francisco. Over the past year and a half, the Port has worked closely with cruise industry experts and community representatives in preparation for the issuance of an RFQ/P for the development of a modern cruise terminal. Following extensive staff analysis of alternative sites and significant public input, the Port Commission selected Pier 30-32, together with Seawall Lot 330, as the preferred site for development of the James R. Herman International Cruise Terminal and mixed use development, which together comprise the Bryant Street Pier Project.

On May 25, 1999, the Port Commission authorized Port staff to issue an RFQ/P for the Bryant Street Pier Project. Consistent with the Waterfront Land Use Plan, Port staff then convened a 20 member Advisory Group made up of industry experts and community representatives. The Bryant Street Pier Project Advisory Group worked closely with Port staff in drafting the following Project Goals and Objectives for the RFQ/P:

- Provide a signature mixed use waterfront project which achieves a high level of year-round public use and support.
- Include development of the state-of-the-art James R. Herman International Cruise Terminal which enhances the Port's international reputation as a first class cruise destination and preserves and creates new maritime jobs on this site and throughout the waterfront.
- Achieve a use and design program which respects and complements the existing South Beach neighborhood.
- Provide for the enhancement of the Port's financial position over the term of the leasehold.

The Port's primary objective for the Project is the development of a high-quality cruise terminal, as part of a mixed use project which provides a focal point on the waterfront, mid-way between Downtown and the new Ballpark. The Port envisions a modern cruise terminal with active, public-oriented uses providing a premier gathering place for the Bay Area, the City and the neighborhood.

In addition to the above goals, the RFQ/P listed specific Planning and Land Use, Financial and Urban Design Objectives for the Project.

On June 4, 1999, Port staff issued the RFQ/P. Staff provided extensive public notice by publication and mail, and distributed more than 240 copies of the RFQ/P to interested parties. On July 26, 1999, four respondents submitted qualifications: Forest City Development, including Peninsular & Orient and General Atlantic (collectively "Forest City"), LCOR San Francisco LLC, including LCOR Incorporated, Lehman Brothers, AIG Insurance, Mosbacher and AeroSea Corporation (collectively "LCOR"), San Francisco Cruise Terminal LLC,

including Lend Lease Development, PSA (USA) Inc., Chinese Maritime Transport Ltd. and Whitney Cressman LLC (collectively "SFCT"), and Urbatec.

Port staff, with the assistance of the real estate economics and planning firm of Economics and Planning Systems ("EPS") Inc., reviewed the submittals of the four respondents for completeness and for conformity with the requirements of the RFQ/P. Each team's qualifications and experience to develop and operate the Project were evaluated in light of the selection criteria outlined in the RFQ/P. Based on these evaluations, Port staff recommended that Forest City, LCOR and SFCT be invited to submit proposals for design and development of the Bryant Street Pier Project. On October 28, 1999, LCOR and SFCT submitted responses to the RFP. Their development team, development concepts and financial proposals are summarized in the staff report. In addition, LCOR submitted clarifications to their proposed business terms. The purpose of the public hearing is to provide an opportunity for two development teams to present their development concept to the Commission and provide an opportunity for the public to see and comment on the proposals. Over the next month, the entire set of submittals will be subject to intense evaluation process during which they will be evaluated against the criteria set forth in the RFP.

Ms. Cook indicated that Port staff expects to recommend that the Port Commission enter into exclusive negotiations with one of the development team at the Commission's meeting of December 16th. While the Port is conducting its evaluation, there will also be additional opportunities for the public to hear the developers' proposals. The development teams have been invited to make presentations at SPUR on November 19th and meetings at the Rincon Park South Beach CAC and Bryant Street Advisory Group on December 6th. In addition, the development teams have been meeting with many members of the community.

John Infantino, LCOR Vice President, summarized the five ingredients of LCOR team's proposal:

- Cruise terminal design is highly functional and creates an architectural statement.
- Proposed land lease includes five types of payments to the Port, which generates an annual 16% return on the pier and land assets.
- Design creates a local and regional destination, which also optimizes the public's physical and visual access to the waterfront.
- Team includes some of the most seasoned professionals in the fields of finance, design, development, construction and operations.
- Team is committed to a comprehensive community outreach program.

Mr. Eric Eichler, Chairman of LCOR, indicated that LCOR is a national investment development and operating company, creating value through business development for partners, investors and customers. Since 1992, LCOR has pioneered private/public partnerships working with government, public agencies, authorities, school district and universities. Their mission is to create better places

for people to live/learn, work/travel and play. Their current public/private disciplines include consulting, business advice, business analysis, financing and developing. Their current public/private practice includes 11 million sq. ft. of space under construction at a cost of approximately $3.5 million. This work is carried by seven LCOR offices across the U.S. LCOR has more than 25 years experience, handling over 15 million sq. ft. of office space and 20,000 sq. ft. of residential units.

Their public/private projects include the following:

- 101 Hudson
- Foley Square Federal Office Building
- JFK Terminal 4
- The U.S. Patent and Trade Office

Mr. Eichler indicated that LCOR's methodology utilizes a true elaborate partnership with their partners working together, define the business opportunity, resolve the issues and create solutions with a focus on the customers and on the needs of the community and profitability. Businesses are initiated through the financing capability of LCOR and Lehman partnership and a production effort of their professional construction management team. In all of their public/private partnership, they have invested monetary equity and have utilized financing structures based on continuing market demands instead of public subsidy.

Jim Gibbs, Lehman Brothers, indicated that Lehman Brothers is a global investment bank raising capital for and providing investment products to corporations, institutions, governments, and municipalities worldwide.

- Founded in 1850
- 8,800 employees in 40 cities
- Headquartered in New York with a major office in San Francisco
- Total Capital $36.5 billion
- Stockholders Equity $5.95 billion
- A Fortune 500 company
- One of the 50 Best Performing Companies in the Nation

Lehman Brothers is a leader in Public Finance with extensive seaport/airport financing experience. Since 1996, they have senior managed 36 financings totaling $5 billion. Clients include: Ports of Seattle, Tacoma, Olympia, Everett, Grays Harbor, Portland, San Francisco, Virginia Port Authority and South Carolina State Port Authority.

Lehman Brothers is a leader in the Financing of Real Estate Development. Funded over $19 billion of investment capital during the past 5 years. As a principal, Lehman Brothers provides a variety of financing alternatives to the real estate industry. Target public/private developments include:

- JFK International Arrival Terminal
- Chrysler Building
- San Diego Air Commerce Center

Lehman Brothers have the demonstrated capability to finance this project and are keenly interested in getting started.

Art Boyle, General Manager of New York City Passenger Ship Terminal representing ITO, indicated that the total cruise terminal operations include:

- Twenty-one east gulf coast Ports
- 2 million passengers annually
- Comprehensive Terminal Operator
- Marketing, maintenance, security, parking, and dredging
- Communication, environmental concerns, manage traffic

Since taking over operation of the terminal, they have seen a significant increase in the amount of passengers handled and the number of trade shows booked. The City has moved from a position of being a subsidizer to receiving a positive cash flow. The cruise lines, government agencies, Coast Guard, Customs and INS and the community realize that they are dealing with an operator responsive to their needs.

John Infantino indicated that LCOR has assembled a team of highly qualified experts suited to this project. Jointly, their team has completed over $5 billion in planning, development, and construction projects in the local market. More than 75% of their project team is headquartered or have offices in the San Francisco area. Individually, their team members bring a broad range of skill and insight to this project and collectively bring over 100 years of proven project experience. They have assembled a series of development disciplines:

Public/Private Finance:

- Lehman Brothers
- LCOR Public/Private, Inc.
- AFL-CIO
- Urban Growth Property Trust

Operation:

- P&O
- ITO
- Hilton Hotels
- Embassy Vacation Resorts/Grand Vacation Co.
- Promus Hotel
- Inter Park

Construction:

- Bovis Construction
- Huber, Hunt & Nichols

Water Transit Developer:

- AeroSea Corporation
- Blue & Gold Fleet

Architecture:

- Bermello Ajamil & Partner
- Kaplan/McLaughlin/Diaz
- Tong C. Cheung Architects, Inc.

Engineering:

- Moffatt & Nichol Engineering
- Over Arup & Partners
- Ben C. Gerwick, Inc.
- Wilbur Smith Associates
- Geo/Resource Consultants
- SOHA Engineering
- Takahashi
- Ingraham-Dejesse Associates

Legal Counsel:

- Morrison & Foerster
- Gladstone & Vettel
- James W. Haas, Esq.
- The Washington Group
- Nossaman, Guthner, Knox & Elliott

Landscape Architecture:

- BMS Design Group

Specialists:

- Barnes Clarke& Associates
- Public Affairs Management
- Carl Walker, Inc.
- Duke Solutions
- Colliers International
- Sedway Group
- Siegal/Frand & Partners
- 3D Visions

Renata Simril, Development Manager, stated that the community involvement has been and continues to be a critical component for the success of the Bryant Street Project. Over the past few months, their team members have engaged in early stage meetings and discussions with South Beach neighbors, environmental advocates, union representatives, business community and public officials. Their primary focus is to discuss the needs of the surrounding community. Residents and business owners were engaged in discussions regarding their concerns for open space, neighborhood serving retail and waterfront uses. They met with numerous environmental conservationists to hear their priorities and identify ways toward meeting the standard for an environmentally sensitive building. The initial meetings

and discussions are only the beginning of their team's commitment to community outreach and involvement. They firmly believe that building relationships with the community will ultimately make the Bryant Street Pier project a grand addition to the South Beach community. They look forward to strengthening and growing relationships as the project moves forward and setting new standards for community developments in San Francisco.

Dennis Ho, Aerosea, stated that LCOR understands the importance of community outreach. The LCOR development team community outreach program is a signature program. They have reached out to individuals, community groups and organizations across the Bay Area. LCOR has taken every effort to device a continuing and comprehensive community outreach program. The goal of the LCOR team is to effectively promote the involvement of the different communities to truly cap San Francisco as an international City. The community outreach program is divided into three separate programs: (1) community involvement; (2) maritime corps which will dedicate and rename a scientific vessel after James R. Herman and (3) a workforce development program that includes training and education. Bridging the gap between higher education and apprenticeship training is the critical element of their workforce development program. It will serve as a training tool to many youths.

Jessica Byrd, Barnes Clarke, stated that they have developed four community advisory councils: (1) environmental (2) community (3) architecture and (4) marketing. They will ask local neighbors and San Franciscans to nominate people to be on the councils to work as their partner to solve the complex issues. They have also been in discussions with the Unified School District.

John Infantino stated that another important element of their proposal is public amenities which:

- Celebrate the waterfront
- Extensive public open space
- Neighborhood serving and specialty retail
- Wine tasting experience
- Preservation of Red's Java House
- Broadway Theater
- Museums
- Water shuttle
- Visual and physical access to the Bay
- Brannan Street view corridor

John Stainback stated that the sole purpose of LCOR is to work with government officials to structure and implement public/private building developments and optimize the value of their real estate assets. Over the last 7 years, they have completed and have under construction developments with a value of $5 billion. They believe creativity is the cornerstone of structuring public/private partnerships that are acceptable to the capital markets and their public partners. They use a development process, which is methodical, comprehensive and highly interactive.

They have repeatedly proven that public/private partnerships can be customized to meet the objectives of their public partners. They structure public/private partnerships, which achieve their public partners' desired level of risk, responsibility, investment and economic return. They are responsive to their public partners and participating community organizations. They reduce or eliminate capital investment traditionally required by their public partners. They generate substantial non-tax income and tax revenue for their public partners.

Mr. Stainback cited the following samples of LCOR creativity: Oyster School/Calvert Place, White Flint Metro Station, Veterans Medical Center and Terminal 4 John F. Kennedy Airport.

Mr. Stainback indicated that creativity is the cornerstone to LCOR Partnership with the Port and how they generate the significant amount of non-tax income which will benefit the Port and the community. They proposed five types of land lease payments to the Port, including:

- Holding Rent
- Guaranteed Rent
- Percentage Rent
- Participation in Refinancing or Sale
- Home-Run Insurance

Louis Ajamil from Bermello Ajamil & Partners gave a brief description of their project. Their work with the cruise industry since the 1970s has given them tremendous amounts of experience in the evolution of this industry. They propose to design a terminal that will service not for today but for the future. It sets a tremendous base for the project as well as sets the tremendous understanding of responsibility that they need to create a project that meets the Port's and the community's needs. They have learned that the cruise terminal is only the beginning of the waterfront. To truly design a cruise terminal, one has to understand the waterfront. Cruise lines will go where the cruise passengers want to go. Cruise passengers want to go to a destination not to a terminal. Destination is the key; destination is important. San Francisco is one of the fantastic cities in the world that people would like to come. Terminals and ships are growing, they are going to design a terminal for 6,000 people. That along with the integration and partnership with customs and immigration is the key to the future. They need to integrate with the destination and the design for sustainability. Successful waterfronts have some of the things that the Port has already discovered. They have access to the water's edge. They have a central plaza. This will be a truly unique indoor space. The integration of entertainment into the facility and the preservation of the city's heritage. It is important to preserve the existing buildings. This project sets the tone.

The terminal is about creating a signature building. In terms of a signature building, they started looking at different concepts and designs. They opted with creating a romantic design. They want to separate the ground transportation area as

far away from the Embarcadero as possible because of the number of people. Components of the project include: two state-of-the-art gangways, state-of-the-art facilities for the future such as airline check-in and car rental facilities, airport direct luggage transfer area, a separate federal inspection positions for each terminal but in joint central facility, office for longshore and lounges. The front of the terminal is the most critical element of the design of the terminal. It impacts the community the most. This will be the largest ground transportation area in the world. It will be able to hold simultaneously 20 busses. People can embark and disembark at the same time. As the embarkation begins, the ground transportation area is reconfigured. They have integrated the terminal in a diagonal way. There will be a green house at the end, a single security checkpoint, and a bon voyage area. This area will also serve as a major grand hallway that will connect both the office and the conference centers. On the middle, VIP rooms for lounges and winter garden will be located. On top, there will be a continuous baywalk. In terms of the design, it's about creating places. They created a facility that responds to a number of needs i.e. a major plaza in the Embarcadero as well as preserving the Red's Java House. The Embarcadero plaza will serve as a point for a grand lobby for the conference center and high tech spaces articulating the architecture of the neighborhood. This facility will be the only terminal in the world where there will be live theatres. The Embarcadero will reflect a lot of the historic values. The middle street will be an exciting place to come. The Bayfront plaza will be a place where people would be able to enjoy the water.

John Infantino thanked the Commission for the opportunity to present their proposal. They believe they have the right plan, the right team, and the right exciting mixed of uses.

Glen Elkington, President (West Coast), Lend Lease Development, stated that the waterfront development is an unparalleled challenge but believed that their plan would rise above this challenge.

Lend Lease begun over four decades ago with the goal of becoming the world's best integrated property with financial services company. Lend Lease has seen its after tax profit steadily for the past 24 years to over a quarter million dollars in 1998. Sound financial management has allowed the firm to establish itself as the premier property developer in the world. Lend Lease has operations in North and South America, Australia, New Zealand, Europe, and Asia, employing over 7,000 people worldwide. In the U.S. it has over 3,000 employees, has 15 offices and are part of the team that develops, manages prime office buildings, major malls, residential and industrial complexes. Locally or global, the results are the same. When Lend Lease enters a project, inspiration follows.

PSA is the world's largest container terminal operator. It also manages the immensely successful and internationally administered Singapore Cruise Center. The center is popular with cruise lines that last year it handled over one million cruise passengers. This success stems from PSA's marketing networks, the relationships with the cruise line industry and their professional management. PSA also operates four ferry terminals, enjoyed by about 4.5 million passengers last

year. With current operations in nine ports around the world and almost $1 billion in commercial real state either owned or under management, PSA has committed to expanding its worldwide network. PSA's vision is to become recognized internationally for its professionalism and dedication to service. In doing so, it has become synonymous with quality and value, demonstrated by the growing number of shipping companies that treat PSA ports as their port of choice. PSA staff of about 7,000 people brings energy, commitment to their daily operation. Revenues of over $1.5 million, pre-tax profits of over $700 million in its first 15 months of incorporation, PSA's financial stability position itself for continuing growth. PSA is truly the world's port of call.

CMT is a globally respected international shipping and trading group of companies that began in Shanghai over 50 years ago. Under the leadership of John Y. K. Peng, CMT has grown to enjoy consolidated annual revenues of almost $200 million and a net worth of over a quarter million dollars. CMT has a proven track record as a global shipping agency with expertly managed, maritime and government operation. Their professional association with leading transportation firms around the world put CMT in the center of a vast of network maritime companies. CMT is so well respected and recognized that it is one of the few companies permitted to engage in direct shipping between Taiwan and the mainland China. With its expertise, financial security, and commitment to quality, CMT defines maritime excellence.

Whitney Cressman, established in 1974, is a San Francisco based real estate firm, provides a full range of services to commercial real estate office. Members of the firm's retail group have been directly involved in over $1 billion of San Francisco retail investment and lease transactions. Whitney Cressman has intimate knowledge of the local San Francisco real estate market with established relationships with local, national and international companies. This breadth of expertise is reflected in the amount of assignments conducted by Whitney Cressman. Over 100 million sq. ft. in the San Francisco commercial real estate market alone, spanning both high-rise and mixed use projects meet the particular needs of San Franciscans. The firm also provides financial advice, commercial leasing and sales, market research and consulting as well as property and asset management services. With its local expertise and experience, Whitney Cressman, the City's third largest commercial brokerage firm provides a proven track record of 80% of San Francisco's investors and buyers.

Together these four companies will create the world's next great waterfront landmark to San Francisco. This partnership defines experience and dedication, innovation and insight to its unique combination of financial strength, history of successes, local knowledge and maritime expertise.

Mimi Silbert, Delancey Street, indicated that in 1983 Delancey Street approached then Mayor Feinstein to build in the neighborhood. They are full of pride, are protective and madly in love with their neighborhood. They watched South Beach grow to be "the neighborhood." When they first heard of the cruise terminal, they were less than thrilled. Delancey Street represents very low income housing and

committed to seeing a neighborhood balance. Delancey Street met with all three of the groups approved by the Port. She believed that all the developers would be supportive of Delancey Street. This is the Jimmy Herman Cruise Terminal. For 30 years, Jimmy Herman helped start Delancey Street. She endorsed and joined SFCT because they were willing to find out at the onset what their role would be. There are tangibles that they looked at that their team has already done. They scaled the project down because of neighbors' responses. It was critical that the team understands that they just don't serve the tourist and the passengers but it is a growing neighborhood which the team worked hard to become part of. The team's proposal shows how much open space is preserved and how it is built around the lagoon. How the retail spaces are set up not just to bring the "big name brands" but they are bringing in retail that would be affordable for people who lives in the neighborhood. The team was open to the unions. They were interested in school projects. The team is incredibly flexible. They changed their design so they could accommodate the neighborhood. She dismissed the notion that Red's Java House will be demolished – Red's Java House will be left intact.

Brian Lee of Skidmore Owings and Merrill presented the design concept of their proposal. Mr. Lee indicated that the concept design is going to be a significant addition to the waterfront; it has three design goals: (1) provide a new cruise ship terminal that would reinforce the San Francisco waterfront nationwide and enhance San Francisco's role as the international cruise port; (2) to fit within the neighborhood by respecting and complementing the existing patterns of the City and the neighborhood by providing appropriate mixed of program; (3) to build an architecturally designed facility. He also provided the Commission a more detailed configuration of the cruise terminal.

The first level of the terminal will include federal inspection service, luggage handling, other support areas, parking, vessel stores, equipment, storage ages for vessel fixtures and rigging, safety/fire equipment, separate facilities for harbormaster, stevedores and Pier staff and ship crew, 18 curb side bus drop-off spaces. Passenger car drop off, taxis and excursion van areas.

Level 2 – grand staircase with balconies and viewing platforms lead to multi-functioned great room arrival/departure hall for passengers, controlled access to ships and full service kitchen.

Great Room – can accommodate up to 3500 people for functions, exhibition/convention and cultural spaces, community and civic events. Upper level spaces connected by galleria overlooking roof gardens. Public promenade will include cruise terminal aprons when no ships are at berth. The lagoon is 160' wide circular waterway with views, dropped platforms and viewing terraces, small public mooring area and public fishing. This project will provide a state-of-the-art cruise terminal. This project would be a wonderful waterfront gateway to the City and a new landmark for the Port.

Charles P. indicated that the waterfront is a precious San Francisco asset. The group's vision of the project will set a new example in the City. Their vision is to

create a real place that is connected to the City with multi purpose destination and intimately connected to the water. The idea is to extend the City to the bay and the bay to the City. Two important view corridors are the key organizing elements: (1) Spear Street corridor and (2) Brannan Street corridor. Breaking the project with these view corridors brings the neighborhood friendly scale and creates a visual architectural statement. Part of the project is a sunny South Beach town center which is protected from the prevailing summer winds and orient itself to the emerging South Beach/Brannan Street open space. The idea is to create a grand place which connects the project to the waterfront and begin to establish a greater waterfront form especially for public access. Fifty percent of the pier will be preserved as open space.

Kathleen Gee from PSA described their track record, marketing and management strategy for the cruise terminal. Singapore Cruise Center has developed from a port of call to a world-class cruise hub listed among the world's top ten. Their success as the cruise gateway to the Asian Pacific is best measured in statistics. They developed and are managing and operating six terminals handling 8 million passengers. One million passengers come from their international cruise terminal. They serve 26 cruise lines including Holland America, Norwegian, P&O, Cunard, Seabourne, Crystal, and Star Cruises. The town playground refers to an exciting cruise arena. The Asia Pacific Cruise Playground today has a market share of 13.5 percent of the world's cruise ship capacity. In their marketing strategy for the new James R. Herman Cruise Ship Terminal, their mission is to develop San Francisco as an ideal cruise destination and cruise hub. The plan adopts a four-stack approach to establish the Pacific Rim cruise playground and to promote San Francisco for a wide range of cruise ship and to develop the cruise terminal as an icon in the cruise industry and to conduct joint promotions to the Port and cruise line associations . The Asia Pacific Cruise Playground and the Pacific Rim Cruise Playground are connected by the same ocean. In the Asia Pacific Cruise Playground, they have successfully marketed to cruise lines a network of attractive destination ports as Singapore as the hub and the gateway. Their marketing focus will be to apply this time tested playground model to San Francisco. They will work with the Port, SF Convention and Visitors Bureau as well as Cruise West and the authority in Baja, California to establish a network of attractive destination ports. They will promote San Francisco to a wide range of cruise lines offering varied cruise products. Their strength lies in optimizing resources to common user berth, multi purpose usage of terminal facility, information technology application for berth allocation, passenger check-in, information display and resource allocation. They have excellent relations with the cruise industry players. They work very closely with Singapore Airport and Singapore Airlines. As a common user terminal operator, they will cater to all cruise lines offering varied cruise products. The terminal will be multi-purpose catering to cruise operators, exhibition and convention organizers and organizers of public/private functions. As managing partner, PSA Corporation will manage the terminal. They will share their experience in marketing and promotions, operations, information technology, and training. They will draw on their extensive experience with the metropolitan stevedore company. Metropolitan Stevedore Company is the most experienced stevedore working with cruise ships and the maritime industry. With this

combination of strengths, the cruise terminal will deliver quality service to its customers.

John Peng, Chairman of Chinese Maritime Transportation, stated that CMT is one of the oldest, largest private shipping company. In the past 20 years, their group created many unique and innovative passenger service. The first was the first floating university, created in 1978. This program provides education for over 1000 students each year on vessels by cruising around the world. It is one of the most popular education program among college students. The second one created was the World Explorer Inc. which is based in San Francisco. CMT pioneered Alaska cruise destination since 1978. They managed the Alaska Cruise Program. In 1981, they launched the American Hawaii Cruise Line. CMT is the only company who provides passenger service with American Flag vessels. All the crew members are American union seamen. CMT is very excited to do business in San Francisco. With their bulk shipping, terminal operation experience and innovative way of creating business opportunities, they look forward to expanding their vision to San Francisco. This vision will also bring more jobs and financial benefits to the Port and to the City of San Francisco.

Tim Parker, Metropolitan Stevedore Company, stated that for over 30 years, Metropolitan has worked with the Port of San Francisco to develop and increase cruise business for the Port and the City. Using exclusive members of the ILWU, they have been the stevedore and terminal operator to all cruise ships calling in San Francisco. After being approached by both developers, Metropolitan chose SFCT as their partner.

Skip Whitney, Whitney Cressman, presented some of the benefits of the new James R. Herman Cruise Terminal and Bryant Street Pier. San Francisco is the gateway to the Pacific. With their plan, San Francisco will wind up an internationally recognized state-of-the-art cruise terminal. The terminal will be a magical introduction with the visitors of San Francisco. As they disembark, the passengers will enter into the City's new "great room" and pass through the James R. Herman memorial. They will see exhibits of the S.F. waterfront history, the ILWU and the Chinese Maritime Museum. Their design creates a series of "new people" places where people can feel comfortable and relaxed. They can enjoy the al fresca dining and open air performances. People will be able to interact with one of San Francisco's greatest features, our beloved bay. Children's park and play areas are abundant throughout the project. The project's public areas will pose a broad range of festivals and cultural events. Another cultural feature is the International Museum of Women. As their experience team builds the number of ship calls, tourism will flourish, creating new jobs for San Francisco. The new pier and cruise terminal will directly provide about 750 union jobs. Once complete, it will create nearly 4,000 union jobs in the cruise terminal, hotel function and retail space. Each of these jobs will increase local buying power and create even more jobs. The new Bryant Street Pier will bring in over $16 million in additional City and tax revenues. They predict that the San Francisco economy will benefit at least $150 million. Other important business comes only with their team. They have exclusive right to bring the World Trade Center as part of the Bryant Street Pier. It's

educational program and business networking will raise San Francisco nationally. In addition, nationally recognized SPUR has indicated their desire to have their offices on the site as well. Their plan also creates desperately needed new convention space and public meeting rooms. With their team, the Port of San Francisco and Cruise terminal once again will revitalize the San Francisco waterfront. The Port will gain partners throughout Asia and the rest of the world. With the spectacular design and development team, San Francisco will have a world-class project that it can be proud of. It will enhance the quality of life in San Francisco. It will provide international landmark for San Francisco. He emphasized that SFCT is the team to send the message to the world that the San Francisco waterfront is alive and well.

Al Williams, community outreach, stated that the RFP indicates that one of the criteria is a demonstrated ability to obtain key community support. Their proposal does and will continue to enjoy widespread support in the South Beach community and other stakeholders. The community support their team enjoys is based upon what they have done and not on what they propose to do. It is the direct result of the accessibility they have demonstrated and the extensive and continuous outreach efforts they have undertaken and to understand and to address the concerns of the stakeholders within and outside of the Rincon South Beach neighborhood. Over the past several months, their team has held dozens of meetings with stakeholders and other parties concerning this project. They met with individuals, large and small groups. They hosted meetings and attended meetings hosted by others. Red's Java House will be preserved. Some of the members with whom they have had conversations are members of the Rincon South Beach CAC, Bryant Street Advisory Group, San Francisco Giants, with parents who are concerned with open space uses and children's program. They met with representatives from organized labor and based on their long history, this project will be built and operated with union label. They met with representatives of the maritime industry, environmental groups, training programs, representatives of the S.F. business community. They commended Port staff in securing a broad spectrum of stakeholder participation in the development of the RFQ/P for this project. Their challenge is to build and expand from that foundation. They believe that the advisory committees established are excellent vehicles with which to work and build a partnership with the Port, their team and the community. The goals in meeting with stakeholders were: (1) to develop a better understanding of their concerns, and (2) to begin the process of establishing a trusting working relationship. Achieving these goals was essential to their ability to develop a proposal submitted to the Port . That proposal achieves the Port's goals, it is responsive to stakeholders concerns and it satisfies their team's interest. They have not resolved all the concerns raised but they have established relationships in a framework that would enable the Port, stakeholders and their team to work together to address and resolve the issues and others that will emerge as the project move forward. To be effective, there must be a collaborative process, it must be responsive to stakeholders and it must be an ongoing commitment. Their effectiveness in this critically important area is clearly evidenced by two important factors: (1) approximately 40% of the professional services team is made up of local, minority and women owned businesses; (2) the proposed development program is based in significant part on input received from the community and

other stakeholders. In both instances, they have demonstrated their ability to collaborate and to be responsive. He reiterated their unequivocal commitment to maximizing public involvement in every aspect of this project.

Glen Elkington indicated that they have demonstrated their willingness to work with the community and ensured their project is local friendly and an asset to the Port and the City and believed that they are the best team to make this project a reality.

The following individuals were in favor of SFCT's proposal:

- Jack Bair, San Francisco Giants
- Vicki Simon
- John Bizzell
- Carol Galante, Bridge Housing Corporation
- Patricia Wolf, South Beach resident
- Ron Fell, South Beach
- Elizabeth Colton, Int'l Museum of Women
- Jim Greene, Bayside Village
- Greg Samoulider, South Beach
- Russell Nyborg, Bar Pilots
- Martin Fay, South Beach Yacht Club
- Paul Warenski, Oriental Warehouse Lofts
- Karl Ernst, Pier 38
- Richard Dickerson, South Beach Marina Apartments,
- Stanley Hirzstein, Richmond Planning/SPUR
- Dorothy Erickson, Women Construction,
- Jeffrey Leibovitz, Portside
- Louise Bird
- Mark Arnold spoke on behalf of Norman Pearce, Pier 40, Inc.
- Don Marcos, South of Market Employment Center,
- Janis Sandusky, National Association of Women in Construction,
- Claudine Cheng, S.F. Bay Area World Trade Center
- Orville Luster, Youth for Service
- Joe Boss, South Beach Harbor & Potrero Hill

The following individuals were in favor of LCOR's proposal:

- Steve Reilly, Red's Java House
- Weldon Smith, S.F. Craft & Folk Art Museum
- Gary Moody, Dog Patch Neighborhood
- Ernestine Weiss
- Richard Ow
- Bonnie Harrison, U.S. Space Camp

Ernie Meriweather, ECCI, indicated that Al Williams, Mr. Parker and Mr. Peng are participants of the SFCT team and he claimed that they are using ECCI's plan as a guideline to develop their own plan for development of Pier 30/32, which is in violation of the non-disclosure agreement.

Jonathan Reinis, Jonathan Reinis Productions, indicated that he was excited about the opportunity of building a theatre from scratch and look forward to working with the winning developer.

Patrick Gorman indicated that it would be prudent to have 3 berths instead of two and it would be wise to give significant regard to trade show space.

Jane Morrison, S.F. Tomorrow, did not endorse any particular developer. She urged the Commission to pick the developer who will give full attention to open views of the water and public access.

Jennifer Clary, S.F. Tomorrow, did not endorse any particular developer. She asked the Commission to pay attention to little details such as stormwater drainage.

C. Informational Presentation on results of Request for Qualifications for Real Estate Economics and other Consulting Services for Waterfront Development Projects.

Paul Osmundson, Director of Planning & Development, indicated that in 1997, the Port Commission adopted the Port of San Francisco's Waterfront Land Use Plan ("Waterfront Plan"), thereby ending a seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for future use of Port property. This accomplishment, along with the current real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in the revitalization of Port property. In pursuit of the goals of the Waterfront Plan, the Port intends to implement a series of waterfront development projects, some of which are already well underway.

It is expected that each development project will be financially feasible and will maximize public benefits and Port revenues. To properly and expeditiously accomplish these objectives, the Port needs to work with consultants having expertise in real estate market and financial research and analysis, site planning and urban design, architecture, historic preservation, engineering (structural, soils, marine and other), transportation, project approvals, community relations and other real estate development services for specific development opportunities.

As stated in the RFQ, each Consulting Team must be led by a real estate economics consulting firm ("Lead Consultant"), and have the necessary expertise to provide an array of services, including detailed financial, economic and market research and feasibility analyses for real estate development projects; advise and make recommendations to Port staff on various aspects of developer solicitation; and help facilitate Port development projects from conception through real estate negotiations with selected developers. In addition, the specific areas of expertise for each of the five Current Projects were outlined in detail in the RFQ, and are summarized as follows:

- Bryant Street Pier - expertise in the planning and development of new, modern passenger cruise terminal, hotel, residential and retail facilities;
- Piers 27-31 - expertise in large-scale active recreation facilities;
- Pier 45 Shed A - expertise in for-profit and non-profit public attractions;
- Pier 70 - expertise in historic preservation, land use and site planning, preliminary engineering, architecture, urban design and development of lands with a likelihood of environmental contamination; and
- Southern Waterfront - expertise in land use and site planning, preliminary engineering, architecture, urban design and development of lands with a likelihood of environmental contamination.

The RFQ was published on September 17, 1999. Public notice of its availability was published in local newspapers. Over 2,000 notices were mailed or otherwise distributed to individuals and businesses, including all those who had previously requested notice, previous bidders on major Port projects, the Human Rights Commission's listings of certified minority/women business enterprises, and others that Port staff believed would be interested in this opportunity. During the process, more than 150 copies of the RFQ were distributed to parties including economic consulting firms, architects, engineers, planners and other interested parties.

Port Staff received qualifications from 6 proposed Consulting Teams. Using the evaluation criteria outlined in the RFQ, Port staff determined that all 6 proposed Consulting Teams should be placed on the Qualified List. As stated in the RFQ, the Port intends to solicit proposals for each project from two or more Consulting Teams on the Qualified List. The Port's budget for each project, or component thereof, could range from $10,000 to $180,000 depending upon the final scope of work. Proposed contracts for each project will be brought to the Port Commission for approval.
MBE and WBE sub-consultant participation will be a requirement for contracts awarded subsequent to this RFQ process. For total contract dollars expended subsequent to this RFQ process, the Port's goal is to achieve sub-consultant participation in the following percentages:

a) 15% Minority Business Enterprise (MBE); and
b) 5% Woman Business Enterprise (WBE).

To assist the Port in achieving this goal, Consultant Teams were strongly encouraged to include MBE and WBE Sub-Consultants. As the Port strives to achieve this goal, it will consider a Consultant Team's MBE and WBE Sub-Consultant participation when choosing consultants for particular projects.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Jennifer Clary, S.F. Tomorrow, spoke on behalf of Corinne Woods. She expressed her concern about the public boat launch. She asked for assurance that off-street parking would be available for the public boat launch prior to the ballpark's opening.

Commissioner McCarthy indicated that staff will contact her about the matter she raised.

Jim Haas indicated that Mr. Michael Burns, Muni's General Manager, is a great asset to San Francisco. Mr. Haas indicated that the planning process for the E-Line in the Embarcadero has commenced. It appears that within the year there will be service on the waterfront. Mr. Haas reported that the music concourse will be completed in the spring. With the Commission's support, he managed to get a contribution from AMB Properties.

Ernestine Weiss indicated that through Mayor Willie Brown's vision, vast improvements were made on the waterfront.

Commissioner McCarthy adjourned the meeting in memory of Betty Boatright. Ms. Boatright was a fixture on the waterfront, member of Bayview Boat Club and an advocate for public boat launch and access to San Francisco Bay.

The meeting was adjourned at 8:55 p.m.

NOTICE OF CANCELLED MEETING

THE REGULAR PORT COMMISSION MEETING SCHEDULED FOR
TUESDAY, DECEMBER 14, 1999 AT 4:00 P.M.
IS CANCELLED

A SPECIAL PORT COMMISSION MEETING
IS SCHEDULED FOR

TUESDAY, DECEMBER 7, 1999
AT 4:00 P.M.

and

THURSDAY, DECEMBER 16, 1999
AT 3:00 P.M.

in the Port Commission Room
Suite 3100, Ferry Building
San Francisco, CA 94111
(415) 274-0406

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DISABILITY ACCESS

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

SAN FRANCISCO PORT COMMISSION

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SPECIAL MEETING
4:00 P.M., TUESDAY, DECEMBER 7, 1999
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - November 17, 1999 Special Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

      (1) Status Report on the New Year's Eve Celebration at the Port.

   B. Approval of Employee Recognition Awards for Calendar Year 1999. (Resolution No. 99-96)

4. **CONSENT CALENDAR**

5. **MARITIME**

   A. Renaming of the "*Steadfast*" Drydock, acquired from U.S. General Services Administration (GAO) for San Francisco Drydock, Inc. at Pier 70, to "*Eureka*." (Resolution No. 99-93)

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

8. **PLANNING & DEVELOPMENT**

   A. Informational Presentation on Fisherman's Wharf Waterfront Advisory Group.

9. **FINANCE & ADMINISTRATION**

10. **NEW BUSINESS / PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission

Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss the responses to the RFP for the Bryant Street Pier Project.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___ As Defendant _X_ As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

PUBLIC MEETINGS - DECEMBER 1999
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Dec. 7 *(Special Meeting)*	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Dec. 13 *(Cancelled)*	5:30 p.m.	So. Waterfront Advisory Group	Port Commission Room Ferry Building
Dec. 14 *(Cancelled)*	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Dec. 15	4:30 p.m.	Ferry Building Waterfront Advisory Group	Port Commission Room Ferry Building
Dec. 16 *(Special Meeting)*	3:00 p.m.	Port Commission	Port Commission Room or Pier 35
Dec. 20	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Dec. 21 *(Cancelled)*	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Pier 45 Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group does not have any meetings scheduled for December.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Fisherman's Wharf Waterfront Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

PORT OF SAN FRANCISCO

MEMORANDUM

December 7, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Pius Lee
Hon Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Employee Recognition Awards for Calendar Year 1999

Earlier this year Port staff instituted a program to recognize employees who make noteworthy contributions to the Port that enhance the performance and service provided to customers, tenants, users, the maritime industry, the Port, City departments and the general public. The policy further provides a system for annually recognizing employees who have completed five, ten, fifteen, twenty, twenty-five, thirty, thirty-five, and forty years of continuous service for the Port. A copy of the memorandum issued to employees and a description of the program is attached.

While the original program guidelines indicate that up to three employees will be recognized each year for outstanding service, the directors found that, based on the number of nominations received and the convincing statements submitted for those nominations, they were unable to limit the number to three. They chose five nominees for the employee recognition awards based on outstanding performance for this year and agreed to revise the policy for future years to allow up to five awards.

The employees selected for the awards based on their noteworthy performance are as follows:

- Ed Bubnis, Chief Building Inspector, Facilities and Operations Division, Building Inspection Section, for excellent construction management of the Pacific Bell Park and the Fisherman's Wharf Lighting Project and the Ferry Building Seismic Upgrade, as well as day to day code enforcement of building codes.
- James Hearn, Maintenance Machinist, Facilities and Operations Division, Maintenance Department, for working tirelessly and conscientiously to rebuild out-dated pumps and equipment related to the Port's ventilation system, pile driver and other machinery.

- Kari Kilstrom, Development Project Coordinator, Planning and Development Division, for her outstanding effort and project management skills in relation to the completion of Pacific Bell Park.
- Denise Turner, Wharfinger II, Maritime Division, as an "unsung hero" for her excellent customer service and promotion of Port's efforts in the Maritime Industry.
- John Woo, Supervising Fiscal Officer, Finance and Administration Division, Accounting Section, for his conscientious management of the Accounting Section, and for his efforts in resolving several critical issues in the annual audit that resulted in significantly improving the net income of the Port for Fiscal Year 1998/99.

Plaques commemorating this recognition have been produced for each of the employees. I would like to take this opportunity to thank those employees for their hard work and dedication to the Port.

Many other employees were nominated for awards and I sincerely hope that the enthusiasm for the program will continue in future years.

In addition to the above, the Employee Recognition Program provides for recognition of employees for years of continuous service to the Port. The employees whose names appear on the attached sheets are being recognized for completion of at least five, ten, fifteen, twenty, twenty-five, thirty or thirty-five years of service. Lapel pins with the number of years of service will be distributed to those employees who have reached the threshold of service indicated on the attached sheets.

Prepared by: Kathy Mallegni, Human Resources Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-96

WHEREAS, Port managers have established a program to recognize employees who make noteworthy contributions to the Port to the Port that enhance the performance and service provided to customers, tenants, users, the maritime industry, the Port, City departments and the general public; and

WHEREAS, the program also instituted a system for recognizing longevity of service to the Port; and

WHEREAS, five employees who were nominated by their peers have been selected for recognition this year; now, therefore, be it

RESOLVED, that recognition be given to Ed Bubnis, James Hearn, Kari Kilstrom, Denise Turner and John Woo for their outstanding contributions to the Port in 1999, and, be it further

RESOLVED, that recognition be given to employees who have completed at least five, ten, twenty, twenty-five or thirty-five years of continuous service.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of December 7, 1999.

_____

Secretary

PORT EMPLOYEES WITH MORE THAN FIVE YEARS OF SERVICE
AS OF 12/31/99

Name	Start Date at the Port
35 YEARS	
Gerard, Frederick F.	5/25/64
Bubnis, Edmund C.	6/22/64
30-34 YEARS	
None	
25-29 YEARS	
John Miller	7/28/71
Hayes, Kenneth E.	12/6/71
Zeller, Sanford S.	7/16/73
Jones, Renee	10/23/73
Melton, Walter A.	3/18/74
Olson, Gary	3/25/74
Elbing, James C.	6/24/74
20-24 YEARS	
Alfano Lonnie	8/26/75
Mello, Richard	11/10/76
Groff Harold	5/26/77
Keith, Jr. Robert J.	9/27/77
Butler, Thomas F.	11/14/77
Manuel, Manuel E.	11/21/77
Bean, Larry	12/23/77
Fisher, Darrell	11/10/78
Turner, Denise	11/13/78
Piazza, Charles F.	1/17/79
Van Der Ploeg, William J.	2/5/79
Bettiga, Richard V. Jr.	2/13/79
Mondfrans, Ronald	3/19/79
Freeman, Derek	4/2/79
Kung, Wain Leong	4/12/79
Ng, Stella	5/2/79
Myszka, Bruce A.	5/29/79
Hash, Galford S.	6/26/79
Maxemin, Mark A.	10/2/79
Meisenbach, Thomas J.	11/19/79
15-19 YEARS	
Chong, Alexander T.	7/21/80
Rosicky, Jaroslav	7/21/80
Johnson, Richard G	7/30/80
Yee, Kenneth	8/6/80

PORT EMPLOYEES WITH MORE THAN FIVE YEARS OF SERVICE
AS OF 12/31/99

Name	Start Date at the Port
Corcoran, Richard	8/11/80
Kennady, George	8/11/80
Umali, Anthony T.	10/8/80
Patterson, Kevin J.	12/22/80
Lehr, Daniel	1/5/81
Lee, Look	1/28/81
Wienskowski, Jerzy	4/14/81
Leonard, John G.	7/2/81
Kelley, William M.	7/20/81
Lee, Gary W.	12/10/81
Iorio, Lawrence F.	12/30/81
Kutnick, Benjamin A.	3/3/82
Esguerra,Yolanda G	5/3/82
Alvarado, Nelson	5/19/82
Gotcher, Orville F.	1/24/83
Lum, Lynette	2/9/83
Jarrard, Clifford G.	4/6/83
Poulsen, Harold D.	5/13/83
Calvo, Angelo	7/11/83
Newton, Ralph M.	8/15/83
Coccellato, Steve J.	8/29/83
Sheets, Gene P.	9/12/83
Stez, Michael	10/17/83
Johnson, Willie C.	2/29/84
Webber, Harold	4/26/84
Anderson, Louise C.	5/1/84
Detra, Richard A.	5/16/84
Navarro, Henry L.	5/16/84
Wilson, Patricia L.	6/20/84
Sapaen, Corazon R.	6/25/84
Yu, Jack K. J.	8/20/84
Johnson, Kevin E	11/27/84
Yew, Victor	12/7/84
Adona, Luis	12/17/84
10-14 YEARS	
Afable, Belen C.	1/7/85
Wu, Virna C	1/14/85
Tsao, Amy S.	2/25/85
Miller, John R.	4/22/85

PORT EMPLOYEES WITH MORE THAN FIVE YEARS OF SERVICE
AS OF 12/31/99

Name	Start Date at the Port
Jabon, Ma. Editha R.	5/9/85
Delizo, Wilfredo	5/15/85
Chu, Fannie S.	10/30/85
O'Skea, Lydia O.	2/21/86
Silvestri, Gary A.	4/30/86
Bhat, Mabal S.	6/16/86
Bias, Janet G.	7/29/86
Parisotto, Alexander	8/20/86
Bettiga, Anthony	9/23/86
Lew, Samuel	9/29/86
Cordova, Ray	10/8/86
Peoples, Lawrence	10/16/86
Nguyen, Kim-Lien Thi	10/27/86
Rodgiguez, Mauricio J.	10/29/86
Baker, Gerald C.	11/13/86
Tortolero, Miriam	6/24/87
Dailey, Peter	8/6/87
Huynh, Cathy	9/1/87
Tovar, Taide	1/6/88
Lee-Lam, Yuk L. (Tina)	1/28/88
Holt, John V.	2/19/88
Flagg, Jacqueline E.	7/25/88
Meschi, Robert J	8/12/88
Tse, Angelina C.	11/28/88
Hamrick, Adaya M.	12/12/88
Astrin, Deborah	1/13/89
Sabalvaro, Salina D.	3/13/89
Casipit, Nilda S	4/10/89
Martinez, Denise	4/10/89
Phillips III, Glenn	4/28/89
Osmundson, Paul E.	6/19/89
Lee, Olivia	7/5/89
Kiesselbach, Christopher	7/17/89
Courtney, Philip L	8/29/89
Custodio, Ernesto C.	10/10/89
5 – 9 Years	
Cater, Earl J.	1/8/90
Sanchez, Veronica	2/9/90
Dudley, George	4/2/90

PORT EMPLOYEES WITH MORE THAN FIVE YEARS OF SERVICE
AS OF 12/31/99

Name	Start Date at the Port
Dehr, Ellen E.	5/7/90
Cook, Anne E.	8/27/90
Onyemem, George	9/4/90
Martinez, Giovanni I.	9/10/90
Johnson, Floristine	9/24/90
Scully, John J.	10/10/90
Riley, Elliott B.	10/29/90
Bauer, Jeffrey A.	2/18/91
Chu, Stanley S.	3/18/91
Rauenbuehler, David J.	3/16/92
Larocco, Nicholas	6/22/92
Dominguez, Jesus M.	7/6/92
Burney, Tyrone L.	7/20/92
Roger, Joseph H.	8/17/92
Davey, John M.	8/31/92
Duckworth , Michael R.	9/14/92
Simpson, Jill	11/23/92
Sobol, Jennifer G.	12/7/92
Lozovoy, Mark W.	1/11/93
Prunty, Gary R.	3/1/93
Schoenholz, Roberta L.	3/1/93
Bell, Daniel M.	5/10/93
Hodapp, Dan	5/10/93
Bennett, Kirk	6/7/93
Roybal, Gerard L.	6/21/93
Petrie, Michael J.	9/13/93
Dempsey, Nicolas	10/12/93
Byrne, Edward F.	2/14/94
Quesada, Imelda G.	2/28/94
Derenzi, Gary L.	5/9/94
Nevling, Alan M.	5/23/94
Caamano, Oswaldo A.	10/11/94
Mcguire, Kevin P.	10/14/94
Hearn, James E.	11/7/94
Woo, John J.	11/28/94

PORT OF SAN FRANCISCO

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Fax 415 274 0528
Cable SFPORTCOMM
Writer

MEMORANDUM

November 30, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Re-naming of the "Steadfast" Drydock, acquired from U.S. General Services Administration (GAO) for San Francisco Drydock, Inc. at Pier 70, to "Eureka"(Resolution No. 99-93).

DIRECTOR'S RECOMMENDATION: **APPROVE RESOLUTION**

BACKGROUND

In March 1999, the Port was successful in acquiring the government surplus drydock "Steadfast" from the California State Agency for Surplus Property, U.S. Department of General Services for $93,600, with the assistance of Congresswoman Nancy L. Pelosi. A new dry dock would have cost $7 million to purchase in the open market. The acquisition of the new drydock will help San Francisco Drydock, Inc. (SFD), the Port's largest maritime tenant, continue to effectively compete with other major, full-service ship repair yards, and is part of their efforts to help the ship repair industry recover from military base closures and defense downsizing in the Bay Area.

The new drydock will also provide a location for the restoration of the San Francisco National Historic Park Service's historic vessels. The acquisition of the new drydock is helping to revitalize the shipyard and keep industrial and maritime jobs at the Port of San Francisco. San Francisco Drydock, Inc., the City's last remaining shipyard, creates more than 500 local jobs for union workers.

RE-NAMING CEREMONY

Port staff is currently in the process of planning an event for January where Congresswoman Pelosi will christen the new dry dock. Port staff respectfully requests

that the Port Commission approve the resolution to have the newly acquired drydock "Steadfast" renamed in honor of the historic ferry vessel, *Eureka.* The dry dock will be renamed, "Eureka" in honor of the Maritime National Historical Park's vessel, which is currently being restored at Pier 70. Without the new, smaller dry dock, it would have been extremely difficult for the National Park Service to have the *Eureka's* restoration done. The historic vessel, *Eureka,* holds national significance for her roles in the areas of transportation, industry, technology, and engineering. In 1973, *Eureka* was added to the National Register of Historic Places and in 1985 received additional recognition as a national historic landmark.

Union workers representing the metal trade unions and carpenters union working at the site will attend this event, as well as business, and community leaders.

Prepared by: Veronica Sanchez, Manager, Governmental Affairs Office

CITY AND COUNTY OF SAN FRANCISCO
PORT OF SAN FRANCISCO

RESOLUTION NO. 99-93

WHEREAS, The Port of San Francisco was successful in acquiring the Medium Auxiliary Floating Drydock "Steadfast" from the California State Agency for Surplus Property, Department of General Services with the assistance of Representative Nancy L. Pelosi; and,

WHEREAS, The new dry dock will be used by San Francisco Drydock, Inc. the Port of San Francisco's only remaining ship repair facility and largest maritime tenant, which will enable them to compete effectively for a diversity of commercial ship repair opportunities and to generate jobs; and,

WHEREAS, The new dry dock will also provide a location for restoration of San Francisco National Historic Park Service's historic vessels, such as the *Eureka*, which is the first vessel to be restored at the surplus dry dock; and,

WHEREAS, The Port of San Francisco, San Francisco Drydock, Inc. and the San Francisco Maritime National Historical Park will host a ceremony where Representative Pelosi will christen and rename the new dry dock; now therefore, be it

RESOLVED, The Port Commission hereby approves the renaming of the newly acquired surplus dry dock at Pier 70, as "Eureka", in honor of San Francisco's cherished historic ferry vessel.

I hereby certify that the San Francisco Port Commission at its meeting of December 7, 1999 adopted the foregoing resolution.

_____
Secretary

PORT OF SAN FRANCISCO

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Cable SFPORTCOMM
Writer

MEMORANDUM

December 1, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Informational Presentation on Fisherman's Wharf Waterfront Advisory Group**

In January 1996, Port staff formed the Pier 45 Advisory Group made up of representatives of various constituencies comprising the Fisherman's Wharf community. This advisory group was formed to discuss and resolve operational issues concerning Pier 45 and to provide input and guidance on the long-term uses of Sheds A and C of Pier 45. On October 14, 1997, the Port Commission (by Resolution No. 97-83) adopted guidelines recommended by the Pier 45 Advisory Group regarding long-term uses for Piers 45 Sheds A and C.

The Port's Waterfront Land Use Plan adopted in 1997 states that, as a part of the site specific planning process for each major development project, an advisory group is to provide input and guidance to the Port as to the design and development concept to be incorporated in the request for proposals for the development opportunity. Pursuant to this policy, Port staff reconvened the Pier 45 Advisory Group in November 1998 to provide input and guidance on the development concept to be included in the request for proposals for Pier 45 Shed A. On June 1, 1999, the Pier 45 Advisory Group approved recommendations regarding the proposed development concept to be incorporated into the request for proposals for Pier 45 Shed A, and on June 29, 1999, the Port Commission (by Resolution No. 99-45) adopted a development concept substantially in conformance with these recommendations of the Pier 45 Advisory Group. This request for proposals for a San Francisco Bay and marine oriented public attraction at Pier 45 Shed A was subsequently published by the Port, with a deadline for proposals of January 25, 2000.

This Print Covers Calendar Item No. 8A

This planning work of the Pier 45 Advisory Group brought the Fisherman's Wharf together on a consensus for the future of the Pier 45 facilities. Port staff has therefore asked this advisory group to continue advising Port staff on other planning issues affecting Port property at Fisherman's Wharf. Reflecting this broader geographical scope, the name of the Pier 45 Advisory Group has been changed to the "**Fisherman's Wharf Waterfront Advisory Group**," to coincide with the name of other advisory groups advising Port staff on planning issues in different areas of the waterfront.

The next focus of the renamed Fisherman's Wharf Waterfront Advisory Group will be the Fish Alley Area, consisting of Seawall Lots 302 and 303, which is outlined on the attached site map The Fish Alley Area is not seen as a site for a major development project. Rather, the Waterfront Plan left significant planning issues regarding this area unresolved, and Port staff is seeking input and guidance from the Fisherman's Wharf Waterfront Advisory Group on clarifying and resolving these issues. This planning work is expected to result in proposed amendments to the Waterfront Plan.

Reflecting this new focus on the Fish Alley Area, the following individuals representing constituencies in the Fish Alley Area have been invited to join as members of the Fisherman's Wharf Waterfront Advisory Group: Gene Bugatto of California Shellfish Company and William Thomas of the San Francisco Maritime National Historic Park. A current Membership List of the Fisherman's Wharf Waterfront Advisory Group is attached. A special meeting was held on November 2, 1999 with just the leaseholders in the Fish Alley Area to inform them of this planning effort, and to invite their participation in the planning work of the advisory group.

Starting in January 2000, the Fisherman's Wharf Waterfront Advisory Group will begin reviewing the following fundamental issues regarding the Fish Alley Area:

1) Use Issues related to what uses are appropriate for the Fish Alley Area;

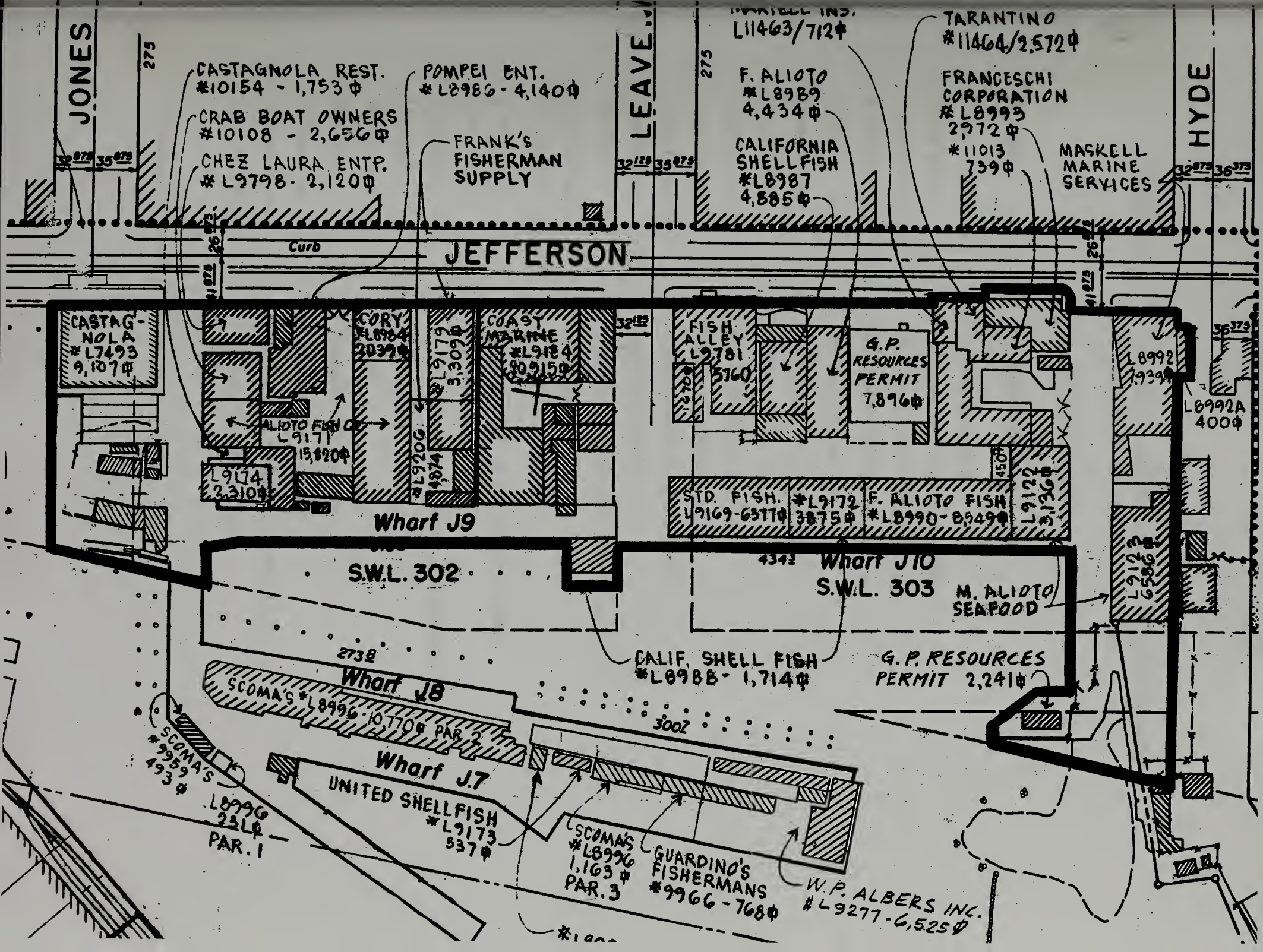
2) Design Issues related to the physical appearance and improvements to the area, including historic preservation issues;

3) Lease Issues related to the existing long-term leases in the area; and

4) BCDC Issues related to its jurisdiction within the Fish Alley Area.

The Fisherman's Wharf Waterfront Advisory Group will first concentrate on design issues, which will begin with the preparation of an historic resources study of the Fish Alley Area conducted in conjunction with an economic impact analysis. The staff of BCDC has been invited to participate in this planning work of the Fisherman's Wharf Waterfront Advisory Group, with the goal of formulating consistent policies to be incorporated into the Port's Waterfront Plan and BCDC's Special Area Plan.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects


JONES
LEAVE...
HYDE
JEFFERSON
Curb
CASTAGNOLA REST.
#10154 - 1,753¢
CRAB BOAT OWNERS
#10108 - 2,656¢
CHEZ LAURA ENTP.
#L9798 - 2,120¢
POMPEI ENT.
#L8986 - 4,140¢
FRANK'S FISHERMAN SUPPLY
F. ALIOTO
#L8989
4,434¢
CALIFORNIA SHELLFISH
#L8987
4,885¢
TARANTINO
#11464/2,572¢
FRANCESCHI CORPORATION
#L8993
2,972¢
#11013
739¢
MASKELL MARINE SERVICES
CASTAG-NOLA
#L7493
9,107¢
CORY
FL8764
2039¢
COAST MARINE
#L9184
2,915¢
FISH ALLEY
L9781
3160
G.P. RESOURCES PERMIT
7,896¢
L8992
1939¢
L8992A
400¢
ALIOTO FISH
L9171
15,820¢
L9174
2,310¢
STD. FISH.
L9169-6377¢
#L9172
3875¢
F. ALIOTO FISH
#L8990-8,949¢
Wharf J9
S.W.L. 302
Wharf J10
S.W.L. 303
M. ALIOTO SEAFOOD
CALIF. SHELL FISH
#L8988 - 1,714¢
G.P. RESOURCES
PERMIT 2,241¢
Wharf J8
SCOMA'S #L8996-10,770¢ PAR. 2
Wharf J7
UNITED SHELLFISH
#L9173
537¢
SCOMA'S
#9959
493¢
L8996
PAR. 1
SCOMA'S
#L8996
1,163¢
PAR. 3
GUARDINO'S FISHERMANS
#9966 - 768¢
W.P. ALBERS INC.
#L9277 - 6,525¢

FISHERMAN'S WHARF WATERFRONT ADVISORY GROUP
(Formerly Pier 45 Advisory Group)

MEMBERSHIP LIST

Member	Firm/Organization
Nunzio Alioto	Alioto's Restaurant
Gregg Assay	Telegraph Hill Neighborhood Center
Alessandro Baccari	Fisherman's Wharf Association
Puil Bentivegna	BUTCHIE B Sport Fishing Boat
Michael Berline	Berline & Associates
Gene Bugatto	California Shellfish Company
John Caito	Caito Fisheries, Inc.
Jennifer Clary	San Francisco Tomorrow
Tom Creedon	Scoma's Restaurant
Philip DeAndrade	Congresswoman Pelosi's Office
Tom Escher	Red & White Fleet
Dale Hess	San Francisco Convention & Visitors Bureau
Kurt Jacobsen	H&N Fish Company
Michael LaRocca	A. La Rocca Seafood
Katy Lohan	National Maritime Museum Association
Chris Martin	The Cannery
Bob Miller	San Francisco Crab Boat Owners Association
Meg Reilly	Dolphin Club
David Robinson	SPUR
Nan Roth	Telegraph Hill Dwellers
Sal Tarantino	S.P. Tarantino Insurance
William Thomas	San Francisco Maritime National Historical Park
Kevin Westlye	The Franciscan Restaurant

SAN FRANCISCO
PORT COMMISSION

DECEMBER 7, 1999
MINUTES OF THE SPECIAL MEETING

DOCUMENTS DEPT.

DEC 1 3 1999

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
DECEMBER 7, 1999

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 4:01 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - November 17, 1999 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the Special Meeting were approved.

3. EXECUTIVE

A. Executive Director's Report

(1) The BCDC/Port Commission Joint Hearing is scheduled for December 16, 1999 at 1:00 p.m. at Pier 35. Both BCDC and Port staffs will present a status report on their efforts to amend the BCDC San Francisco Special Area Plan.

(2) Status Report on the New Year's Eve Celebration at the Port: Brajah Norris, Special Assistant, gave the Commission a brief summary of the coordination efforts undertaken by Port staff as well as other City departments regarding the New Year's Eve/Millennium Celebration at the ferry plaza. There have been ongoing meetings with other City departments regarding the New Year's Eve/Millennium party. The party is sponsored by the Mayor's Office and Bill Graham Presents. A letter was sent to all Port tenants explaining the preparation for the events. The Port's objective is to assist all City agencies and meet the needs of its tenants and to ensure the safety and protection of Port property.

Approximately 250,000 people are expected to attend the celebration. Bill Graham Presents will host fireworks laser light show and entertainment party on the Embarcadero Plaza which will take place from 7 p.m. to 2 a.m. Food or alcoholic beverage will not be sold. The Operations Center will be located in the Port Commission Room. Several divisions within the Port will staff the center. Alex Lee will be the officer in charge for that evening. Thirty private security guards will ensure safety of the building. The police department will set up a command center in Embarcadero Center 4 and a central holding detention facility at Pier 31. Along with the Police, there will be an

emergency medical team, the fire department and National Guard as well as representatives from the Health Department. Approximately 150 uniformed police officers with 25 plainclothes police officers and 50 DPT parking control officers will be working. Two control officers will be stationed at each intersection along the Embarcadero. The southern side of the Embarcadero from Bryant Street to Battery will be closed but the northbound Embarcadero will be open. For that night only, the helicopter services will be relocated to Pier 30/32 for emergency purposes.

Commissioner McWilliams inquired about the availability of public transportation and the ingress or egress of the crowd in the area. Mr. Norris replied that public transportation would be available. Bart and Muni will be in operation as well as taxicabs and ferries. People are being discouraged to drive to the area that night.

Commissioner McCarthy asked about access onto the piers. Mr. Norris replied that Pier 7 and other piers will be barricaded. A private security guard and a police officer will be stationed at the piers.

Ernestine Weiss asked where the crowd will be confined to and whether the roadway construction will be completed in time for the celebration. Mr. Norris replied that the crowd would be confined at the Justin Herman Plaza as well as the southbound roadway. Issues are being worked out regarding insurance and liability regarding security of the roadway. The roadway construction would be done with the exception of the island centerpiece, which would be barricaded.

B. Approval of Employee Recognition Awards for Calendar Year 1999. (Resolution No. 99-96)

Mr. Kutnick, Director of Finance and Administration, indicated that this is the Port's first annual Employee Recognition Program. Due to the number of nominations received, the Deputy Directors decided to increase the number of awards to five instead of three. He enumerated the six goals of the program:

1. Improve the quality of service that Port employees provide;
2. Increase revenue and/or decrease expenses;
3. Publicly acknowledge employees for outstanding service or successful completion of projects;
4. Publicize examples of quality service as role models for other Port employees;
5. Foster a spirit of teamwork and cooperation among Port employees;
6. Recognize length of service to the Port.

Mr. Kutnick also recognized the employee's length of service. Port pins will be given to employees with five or more years of service. The pins will be distributed at the Port's Christmas luncheon. In the future, the pins will be distributed on the employee's anniversary date.

Plaques were presented to the following employees selected for the awards:

- Ed Bubnis, Chief Building Inspector
- James Hearn, Maintenance Machinist
- Kari Kilstrom, Development Project Coordinator
- Denise Turner, Wharfinger II
- John Woo, Supervising Fiscal Officer

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-96 was adopted.

4. CONSENT CALENDAR

5. MARITIME

A. Renaming of the "*Steadfast*" Drydock, acquired from U.S. General Services Administration (GAO) for San Francisco Drydock, Inc. at Pier 70, to "*Eureka*." (Resolution No. 99-93)

Veronica Sanchez, Governmental Affairs Manager, requested the Commission's approval to rename the Steadfast drydock to Eureka. Congresswoman Pelosi will christen the drydock on Wednesday, January 12, 2000 at 11:30. Members of the maritime industries, National Park Service, union workers representing the metal trade unions and carpenters union as well as business and community leaders will be invited.

ACTION: Commissioner Lee moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 99-93 was adopted.

6. REAL ESTATE

7. FACILITIES & OPERATIONS

8. PLANNING & DEVELOPMENT

A. Informational Presentation on Fisherman's Wharf Waterfront Advisory Group.

Kirk Bennett, Waterfront Development Projects Manager, indicated that the Pier 45 Advisory Group advised Port staff on Pier 45 operational issues and recommended guidelines to Port staff for long-term uses of Pier 45 Sheds A&C. Most recently, the group provided input and guidance to Port staff on a development concept for the RFP for Pier 45 Shed A. The Fisherman's Wharf community reached consensus on the future of Pier 45. Port staff has asked the advisory group to continue advising it on other planning issues affecting Port property at Fisherman's Wharf. As a result, the name was changed to the Fisherman's Wharf Advisory Group to reflect the broader geographical scope and expanded the scope and coincides with the names of other advisory groups servicing the Port in other areas of the

waterfront. The next focus of the advisory is the Fish Alley area, Seawall Lots 302 and 303. He noted that unlike other advisory group efforts, this is not seen as a site for a major development project. It reflects the fact that the Waterfront Plan left some unresolved significant planning issues regarding this area and Port staff is seeking input and guidance from the advisory in clarifying and resolving the following:

- Use issues related to what uses are appropriate for the Fish Alley area;
- Design issues related to the physical appearance and improvements to the area, including historic preservation issues;
- Lease issues related to the existing long-term leases in the area; and
- BCDC issues related to its jurisdiction within the Fish Alley area.

The Advisory meets monthly on the 3rd Tuesday of the month at 9 a.m. at Scoma's Restaurant. Its next meeting is scheduled for January 18th. He noted that representatives from other constituents for the Fish Alley area including the National Park Service and fish processors were added. Mr. Bennett introduced the chairman of the advisory group, Tom Creedon.

Tom Creedon indicated that the creation of the advisory group is advantageous to the Port. Kirk Bennett recruited various members of the community to serve on the advisory group. He thanked the Commission for allowing the advisory group continue its work.

Commissioner McCarthy thanked Tom Creedon and Kirk Bennett for all their efforts.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Paul Batsford, commercial fisherman since 1971 and a 12-year tenant of the Port, spoke about his eviction notice and problems with Port employees Elliott Riley and Hedley Prince. He asked the Commission for advice on how to handle the situation. Commissioner McCarthy directed Executive Director Doug Wong to look into the matter and report back to the Commission.

David Jamison, VP of the Strategic Planning of the Board of Trustees for the Museum of the City of San Francisco, indicated that the museum is a non-profit organization. It preserves and interprets the objects and documents regarding San Francisco history. The museum has been located for the past 13 years at the Cannery. LCOR, in their proposal for Pier 30/32, has included a site for the City of San Francisco Museum, which would be an exciting and innovative home. This location would draw additional tourist traffic and residents traffic to the complex. They not only have their own collection but also the promise of the entire collection of the De Young Museum at the time that they move into an appropriate permanent home. He urged the Commission to strongly consider the LCOR proposal. It offers something special and unique for the City and its citizens.

Jeffrey Brown, Landscape Architect and member of the Bayview Boat Club, supported LCOR's proposal. The team has done a thorough look at the project and adhered to the RFP requirements and they continue to work with the community. Both developers are scheduled to meet with the Bayview Boat Club next week. LCOR has elaborated on improvements for a Brannan Street Wharf that would create access in the area for recreational boaters.

David Hudson, Landavazo Bros. Concrete, indicated that in the last six years they have been involved with Huber, Hunt, Nichols and Bovis. He endorsed the relationship they've had with both firms.

Jim Roberts, Boyett Construction, indicated that he has personally worked with Bovis of the LCOR team and has the most utmost respect for Bovis. They treated him and his company with respect. He supports the firm for the development of the Pier 30/32 cruise ship terminal.

Mike Almeida, Alamillo/Conco Minority Business Enterprises, indicated that they have done a lot of work with Huber, Hunt and Nichols and Bovis. He supports their proposal for the development of the cruise terminal.

Jim Papas, C. Garcia's Metal Specialties Minority Owned Business, indicated that they have worked with Huber, Hunt and Nichols and endorsed the team for the development of Pier 30/32.

Bert Valdez, A&B Painting, a local painting contractor, indicated that he has worked with Bovis, Huber, Hunt and Nichols and supports the team for the development of the cruise terminal.

Corinne White, Contract Compliance Officer for Huber, Hunt & Nichols, provided the Commission copies of letters from the Young Community Developers, Inc. and LTM Construction Company, in support of the LCOR Development Team. They have developed a diversity program with the San Francisco Giants by utilizing unionized personnel and indentured inner-city residents. They will continue to do the same thing for the cruise terminal project if given the opportunity.

11. EXECUTIVE SESSION

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. At 5:10 p.m., the Commission withdrew to executive session to discuss the following:

CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___ As Defendant __X__ As Plaintiff

At 7:30 p.m., Commissioners McCarthy, Brandon, Hardeman, McWilliams and Lee returned from executive session and convened in open session.

ACTION: Commissioner Brandon moved approval to not disclose information discussed in executive session. Commissioner Hardeman seconded the motion.

The meeting was adjourned at 7:30 p.m.

6/99
Public

PLEASE NOTE THE DATE, TIME & LOCATION OF THE MEETING

Joint Public Hearing
between the
San Francisco Port Commission
and
San Francisco Bay Conservation & Development Commission

1:00 P.M., THURSDAY, DECEMBER 16, 1999
Pier 35, Passenger Lounge, Second Floor
Bay Street & The Embarcadero, S.F. CA 94111

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AGENDA

1. **ROLL CALL**

2. **PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **STATUS OF BCDC SAN FRANCISCO WATERFRONT PLANNING**

   The BCDC Commission and the San Francisco Port Commission will be briefed and hold a joint public hearing on the status of planning for the San Francisco Waterfront.

4. **ADJOURNMENT**

SAN FRANCISCO PORT COMMISSION

DECEMBER 16, 1999 – 1 P.M.
MINUTES OF THE SPECIAL MEETING

Transcribed by a Court Reporter

MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR

Joint Public Hearing
between the
San Francisco Port Commission
and
San Francisco Bay Conservation & Development Commission

MINUTES OF THE MEETING
1:00 P.M., DECEMBER 16, 1999

(Transcribed by a Court Reporter)

1. ROLL CALL

The joint meeting was called to order by Port Commission President Denise McCarthy at 1:10 p.m. The following Port Commissioners were present: Denise McCarthy, Michael Hardeman, Brian McWilliams and Pius Lee. Commissioner Kimberly Brandon was not present.

Present for the Bay Conservation and Development Commission were: Chairman Robert R. Tufts, Vice-Chairman Siracusa, Bierman, Bruzzone, Cale (represented by Alternate Smith), Corbin, Gioia, Gordon, Kondylis, Leal, Levine, Rippey, Rose, Sweeney, Thayer (represented by Alternate Valentine), Wall and Warner.
Not Present were: Chan, Cutler, Fong, Klass, McHugh, McNair, Morrison, and Schwinn.

President McCarthy welcomed everyone to the joint meeting, the start of a public open process where the public is invited to review the plan. BCDC Chairman Tufts thanked the Port for hosting the joint meeting and stated that the Commission looked forward to continuing to work with the Port Commissioners in their efforts to revitalize the San Francisco waterfront and provide more public access to the Bay.

2. Briefing and Public Hearing on Status of San Francisco Waterfront Planning.

Will Travis addressed both Commissions as follows:

To understand why we are here this afternoon in the importance of the framework agreement we are presenting to you. The Port of San Francisco and BCDC were created about the same time in the late 1960's. In 1968 the Port of San Francisco was created by an Act of the Legislation, the Burton Act, which transferred the control of the Port from the State of California to the City of San Francisco, subject to oversight by the State Lands Commission. BCDC was created by the legislature in 1965 and made permanent by the McAteer-Petris Act in 1969. BCDC and the Port share jurisdiction over much of the San Francisco waterfront. Most waterfront projects need approval by both BCDC and the Port. While the two commissions share many common objectives, the missions of the two agencies are not identical. As a result, over the years, there has been uncertainty over what

kinds of projects and under what conditions development can take place along the waterfront.

In 1973 an important step was taken to bring consistency to BCDC, Port and San Francisco policies for the waterfront. A San Franciscan and BCDC Chairman Bill Evers, and San Francisco Supervisor and BCDC member Diane Feinstein convened a broadly representative committee to prepare a Special Area Plan for the waterfront. After a two year period that plan, the San Francisco Waterfront Special Area Plan, was adopted by BCDC and by the San Francisco Planning Commission, but it was vetoed by Major Joe Alioto. The Special Area Plan, which is incorporated into the Bay Plan, still and currently guides BCDC permit actions on the San Francisco waterfront.

In the late 1970's BCDC, the Port, the San Francisco Planning Department and the Redevelopment Agency joined forces to develop, with the assistance of a waterfront advisory committee, a detailed plan for the waterfront around the Ferry building. That plan, the San Francisco Waterfront Total Design Plan was approved by the Port Commission, endorsed by the San Francisco Planning Commission and adopted by BCDC in 1980. The total Design Plan is incorporated into the Bay Plan and guides BCDC's permit actions in the area of Piers 7 through 24.

In 1991 the Port initiated work on a Land Use Plan for its jurisdiction as required by proposition H, which was passed by the San Francisco voters in 1990. The Port convened a 27 member advisory board chaired by BCDC Chairman Bob Tufts to guide the development of the plan. BCDC Commissioners Sue Bierman and Arthur Bruzzone served as board members. After a five year planning process a draft Waterfront Land Use Plan was completed in 1977* (should this be 1997?) and the Port Commission approved the plan. During the preparation of the plan, BCDC's staff noted that some of the components of the Waterfront Plan were inconsistent with the provisions of the McAteer-Petris Act and the Bay Plan, as well as with the existing Special Area Plan and Total Design Plan.

To address these inconsistencies and to develop a common vision for the waterfront, in March 1996 BCDC and the Port signed a Memorandum of Understanding to establish a process for both staffs to follow in developing recommended changes to both agencies' plans in order to achieve uniform and consistent policies for the waterfront. A copy of that MOU is provided with the staff report.

At the invitation of both the Port and BCDC, Save San Francisco Bay Association was invited to joint these discussions. After approximately eight months of meetings, the staffs and Save The Bay reached a tentative agreement on a number of planning issues. A concept agreement was developed which identified the tentative points of agreement and which focussed the subsequent discussions on those remaining issues needing resolutions. In December 1996 the concept agreement was presented by both staffs in a joint meeting, in a public hearing of BCDC and the Port Commission. The concept agreement is also included with staff report.

Both commissions directed their staffs to continue discussions in the direction outlined in the concept agreement and report back when resolution of the issues had been achieved. Subsequently there have been discussions that have lasted almost as long as World War II. It was for good reason. We were not trying to win a war. We were trying to negotiate a peace.

To further that objective we agreed we would work within the confines of existing law. We would not entertain ideas that required amendment of the McAteer-Petris Act or the Burton Act. To ensure that the efforts at being creative did not burst the seams of existing statutes, representative from the Attorney General's office were invited into the negotiations. There were also regular conferences with the State Lands Commission staff. As living proof that "the devil is in the details" it has taken the staffs almost three years to refine and reach agreement on the remaining issues.

However, this time was very well spent, because we have been able to fully articulate the issues, understand and appreciate each agency's point of view, and build what is hoped will be a lasting and fruitful professional and institutional relationship. It is the Commission's belief that the Framework Agreement presented today, forms the basis for changes to the respective planning documents that will provide uniform, consistent policies for the wise use and enjoyment of the San Francisco waterfront for current and future generations.

Today's presentation is not about any particular development proposal. The focus has been to develop sound policies that will achieve important public objectives. The two principal objectives of the McAteer-Petris Act are to prevent the Bay from being needlessly filled and to provide more public access to the waterfront.

Under the agreement presented to the Commissions today a number of piers will be removed and new fill will be strictly limited. Eventually, three large open spaces will be provided to recommend San Francisco to its waterfront at active, exciting public plazas. and public access will be provided as part of development on existing piers.

In return, BCDC will relinquish almost all control over the type of development on the piers so that the Port and the business community have the flexibility and incentive to create vibrant and economically sound development on the piers and along the waterfront.

All of the parties in the negotiations have legitimate interests. Most probably all us feel we have given up too much and got too little in return. But that is the nature of negotiations. A balance has been achieved, but it is a delicate balance. It is important to stress that we need to maintain this balance and move ahead with amending the San Francisco Waterfront Special Area Plan and the San Francisco Waterfront Total Design Plan in order for there to be any chance for a number of currently proposed innovative projects to be approved - projects that will bring economic vitality to the waterfront and important benefits to the general public.

Joe LaClair of BCDC's staff will explain the essential components of the Framework Agreement. Staff from the Port will then offer their perspective, followed by a presentation

by Save San Francisco Bay Association. Because of the importance of their views, the Commission may also want to invite representatives from the State Lands Commission and the Attorney General's office to offer their comments.

Joe LaClair commended staff of the Port of San Francisco, particularly Paul Osmundson, Diane Oshima, Alec Bash and Dan Hodapp for their professionalism and creativity in finding compromises represented in the agreement. The Port provided some of the funding for supporting BCDC's participation in this planning effort. With it BCDC was able to hire Terry Watt, a planning consultant whose invaluable contributions to this effort were substantial. Mr. LaClair also acknowledged the significant contribution of Marc Holmes of Save San Francisco Bay Association; Marjorie Cox the representative from the Attorney General's office provided considerable wise counsel throughout these negotiations; and Mark Mihaly, counsel to the Port, who kept everybody on track throughout the negotiations.

The Framework Agreement that the staffs of BCDC, the Port of San Francisco and Save San Francisco Bay Association developed represents a viable approach to resolving the long-standing dispute regarding the nature of BCDC's jurisdiction over the development on San Francisco's piers. This agreement represents a balance between the public benefits of open water and public plazas, and creating new policies to permit the redevelopment of the remaining sound piers for public trust uses. It does so in a way which would facilitate the creation of a vibrant exciting waterfront that San Franciscans and residents and visitors of the Bay Area would truly enjoy. It will also simplify and streamline waterfront redevelopment and will provide the Port will considerable more flexibility regarding the uses allowed on the piers.

This framework agreement calls for the removal of piers 17, 23, 24, 34, 36 one half and a portion of pier 2 to create open water and compliment the adjacent public plazas. If the Commissions authorize staffs to go forward, implementation mechanisms will be developed that would finance as well as define, when and under what circumstances these piers would be removed; and when and how the plazas would be constructed.

Two new plazas would be built. One in the South Beach neighborhood at Piers 34 and 36, called Brannan Street Wharf; and one at Piers 27 and 29 called the North East Wharf Plaza. The Brannan Street Wharf would be constructed following the removal of Piers 34 and 36 a pile supported park, approximately 1 to 1.5 acre in size. The North East Wharf Plaza would be constructed on Piers 27 and 29 to provide expansive use of the Bay and create a place that provides for a wide variety of activities that will draw people to the Bay. The agreement also includes a commitment between the Port of San Francisco, BCDC and Save The Bay and the consent of the San Francisco Planning Department to undertake a community planning process with all the stakeholders in the Fisherman's Wharf area to identify a site for a public plaza in the heart of the wharf and to determine how best to approach repair of the existing pile supported structures in that area. The public benefits outlined in this agreement would occur over a twenty-year time horizon consistent with the redevelopment of the piers. These benefits would be realized primarily through funding provided by the Port. The Port would establish a fund, capitalized by a fixed percentage of

its annual net revenues. The fund can be augmented with grants and private contributions in order to accelerate the completion of the benefits and perhaps reduce the funds needed from the Port to complete the public benefits. The Port is also proposing these benefits so that the remaining sound piers within the area covered by the agreement between Pier 35 down to China Basin, can be repaired and used for any purpose consistent with the public trust. If any pier not slated for removal is entirely removed and replaced, it would be rebuilt within the existing footprint and would be used exclusively for water oriented uses.

Existing open water areas and those created by pier removal would be protected because new fills would be limited to minor fill for water oriented transportation facilities such as cruise terminals, ferries, excursion boats, historic ships, water taxis, tug and tow operations, and minor fill to improve public access and shoreline appearance. In some cases minor amounts of pile supported fill for commercial recreation may be allowed, provided it is offset by an equal amount of fill removal. Detailed policies would identify where fill can be permitted and how the open water areas would be protected.

New public access would be provided as the piers are redeveloped that, with the plazas, would create an integrated, exciting network of public open space along the entire waterfront. The amount of public access would vary, depending on the size of the pier, with larger piers providing proportionally more access.

During the negotiations Save The Bay suggested that in lieu of removing historical bulkhead connector buildings to open views as was called for in existing plans, the Bay Side History Walk be established to provide public access to the intimate and quiet water side spaces that removing the bulkheads would have accomplished. It would also provide views of the inner structures of the pier sheds and bulkhead buildings to interpret and make accessible these unique portions of San Francisco's maritime history.

Therefore, on the small finger piers it is proposed that public access include the pier aprons, the appropriate segment of the Bayside history walk and, where feasible, and an additional either interior or exterior public access feature. On the larger piers a somewhat more public access would be required.

The agreement outlines several important implementation and permit streamlining strategies, including a joint design review process. For smaller projects that do not involve fill and have no significant impact on public access, a region-wide permit would be developed to focus the joint energies on the significant projects. As part of the refinement of this agreement, the staffs would continue to develop an approach to establishing a joint design review process. The agreement also clarifies BCDC's role with regard to parking on the existing piers by focusing on its impact on public access and maintains existing policies that discourage and severely restrict parking on new fill.

The agreement reaffirms the commitment made in the concept agreement, to protect the majority of the significant historic resources on the waterfront, while achieving the public benefits outlined in this agreement. The Commission was asked to direct staff to continue to work with the Port of San Francisco and representatives of Save San Francisco Bay

Associates to prepare recommended changes to the San Francisco Bay Plan, the San Francisco Waterfront Special Area Plan, the San Francisco Waterfront Total Design Plan that are consistent with the McAteer-Petris Act and submit a brief descriptive notice of the proposed Bay Plan amendments that would embody those changes for the Commission's consideration and possible approval at its January 6, 2000 meeting.

Paul Osmundson, Director of Planning and Development for the Port of San Francisco, responsible for the long-range planning as well as development project management for the Port, thanked Will Travis, Joe LaClair, Jeff Blanchfield, Marjorie Cox and Marc Holmes for their work with the Port's staff on the agreement. The Port of San Francisco supports the efforts of the two agencies to resolve their differences and increase the port's ability to revitalize the waterfront as well as accomplish the Port's mandate. The Waterfront Plan as described by Mr. Travis was an important step for San Francisco to resolve some of its own internal balancing questions between all of the different factors affecting development on the waterfront.

Mr. Osmundson pointed out that the Waterfront Plan also has a design and access element that BCDC and Save The Bay participated in developing, identifying many of the same general parameters from a design standpoint as referred to in the agreement presented today. The Port's Waterfront Plan calls for an extremely important step in the development process and that is that prior to any specific project being pursued the Port will appoint a project specific advisory group to develop and review specific objectives for projects, such as the Pier one Project for which BCDC has granted a permit earlier this year and for the Ferry Renovation Project for which a permit application will be presented in the near future.

The Port has established advisory groups for each of the areas of the waterfront and these groups will present comments today. The Port is sensitive to the fact that the opportunity to achieve the reunification of the waterfront with the City and sensible development requires that there is understanding and identification of the shared objectives. Essentially, the two agencies do share the objective of appropriate, responsible use for the waterfront.

This hearing is not about any specific project, but the Port wanted to explain that Pier 27, the location of one of the major open spaces, was a project that the Port had identified as an opportunity for which a project specific process was started earlier this year. As the end of that project neared, while finalizing this agreement, BCDC staff requested that the Port not proceed with a project specific RFP for Pier 27 until this plan had been completed. The Port declined, feeling that more could be accomplished by going through the two processes simultaneously. Last week, based on the impending hearing and the anticipated January 6th hearing at which it is hoped that BCDC will initiate the process, the Port has suspended that RFP process so that the planning and the Special Area Plan amendments can be finished prior to that project moving forward.

In conclusion, Mr. Osmundson stated the Port's overall endorsement of going forward with the public process of reviewing the agreement for the update amendments to the Special Area Plan.

David Lewis, Executive Director of Save The Bay stated it is important to remember that among BCDC's proudest achievements over the last 35 years, is the opening of the Bay shoreline to public access and public enjoyment, affording the citizens of the region enjoyment and appreciation of the Bay. This is not a superficial goal, but in fact really essential. It is crucial to building a lasting appreciation among the general public for the values of the Bay, for the importance of protecting and restoring the Bay. The public access component makes it easier over time for BCDC to do its other work and have public support for that work.

The Special Area Plan negotiations, if it can be concluded in short order and implemented, is an historic addition to BCDC's role of opening up the shoreline. The public plazas in this proposal can provide an accessible urban location for maximum public benefit, public use and views of the Bay as well as reconnect San Francisco to its waterfront. Save The Bay feels there is no reason that this process cannot be brought to a successful conclusion very soon.

Mr. Lewis thanked all concerned for their diligent work and effort in this long and costly process. He encouraged the Port Commissioners in particular, to not merely instruct staff to continue working with BCDC's staff, but actually instruct them to finish and complete the work rapidly along the lines of the schedule that has been requested previously. There is no reason for further debate or delays concerning some of the details of the public plaza. It is time to give the waterfront back to the people and until this process is completed there really cannot be progress on other important and exciting development proposals along the waterfront.

He urged the Commissions to do everything possible to finish the work which is an achievement that all can be very proud of.

Marc Holmes, representing Save San Francisco Bay Association and a negotiating member reminded the joint Commission that there are two matters that still need attention. These are simply technical matters that need to be resolved quickly. The first matter is well on its way to be resolved and this can be done by the convening of a design workshop to look at the design of the public plaza on Pier 27.

The second one is one that was agreed to in the Concept Agreement three years ago and yet there has been little progress made on it, not for any other reason than that resources have not been devoted to it. Yet it is absolutely essential to ensure the successful culmination of this plan, i.e. the investigation, thorough and comprehensive, into the historic resources along the San Francisco waterfront. There is a constituency out there, citizens from a number of organizations, including San Francisco Tomorrow, Telegraph Hill Dwellers Association, etc. who are eager to support this plan. What they need in order to do that, is a thorough understanding and ability to have input on the development of the historic resources information. Mr. Holmes asked the joint Commissions to do whatever possible to move that process along which could produce a Special Area Plan of which everyone in the

City could be proud and that will meet everybody's needs as best they possibly can by the end of this Spring.

Dennis Eagan, member of the Attorney General's office explained to the joint Commissions that his office assisted with legal advice the BCDC staff in evaluating some of the planning proposals that came up during the course of the planning effort. He stated that as the negotiations developed it became apparent that the Port really felt it needed to have the wherewithal to develop certain uses on some of these piers that would not fit within two of the criteria that historically had been applied by BCDC in approving development. One of these was the requirement that Bay fill be for water-oriented uses. The other was the principal criteria that presented a problem and it was that there is no alternative location for the development that is proposed.

In the Attorney General's view, the way to accommodate this need of the Port was to revert to a provision of the McAteer-Petris Act which is rarely been used in the history of BCDC, but is there in appropriate circumstances to be used almost as a safety valve to warrant deviation from some of the stricter requirements for Bay fill. That criterion appears in section 66632 of the Act which is the section of the Act that pertains to criteria for issuing permits. It says, in essence, either that the standard McAteer-Petris Act and Bay Plan criteria have to be met, or the project has to be necessary for the health, safety or welfare of the public in the entire Bay area. It was the Attorney General's feeling that that was the only way, short of going to the legislature for a revision of the Act which neither party favored, that this planning effort could be justified. The determination, of course, is to whether this plan, which will shortly be before the two commissions, meets this extraordinary criteria. In making that evaluation BCDC's commissioners will wish to assess whether through this plan BCDC and the people that look to them to enforce the McAteer-Petris Act, are getting something they ordinarily could not get through the normal planning and permit process.

Staff's view is that these three plazas that are provided for in the plan and also the provisions for removal of dilapidated piers, are something that can only be achieved through this plan and probably could not be achieved through the normal permit process that is now in place.

Commissioner Valentine stated that the State Lands Commission has always had responsibility over public trust uses in those areas that have been granted by the legislature to municipalities like San Francisco. In doing so, it has an obligation to see that uses of these lands are put to appropriate public trust uses and are generally guided in this case by the Burton Act. The States Lands Commission looks forward to consult and cooperate with the staffs and members of BCDC and the Port Commission in order to make this determination. It was Commissioner Valentine's understanding that a meeting will be held in the very near future at a staff level to make some progress in this area.

Amit Ghosh, Chief of Comprehensive Planning for the Planning Department of the City and County of San Francisco stated that the Planning Department is very pleased that

BCDC's staff and the Port's staff have worked so hard on this project. The discussions have been long and tedious, however, today's joint meeting is a result of that.

Mr. Ghosh went on to say that the agreement respects the City's autonomy regarding land use and transportation planning. San Francisco has a very strong transit first policy, meaning not cars only, but also to have more choices, mobility and alternatives to the automobile. This is a truly urban place where the intensity and density allows access to other alternatives.

The North East Plaza will be a very important place in the City and it is gratifying that BCDC and the Port have arranged for a design workshop through which the final resolution of design and development will be addressed. This is a very meaningful approach towards resolving the issues on this very important location.

In the general plan, the waterfront is held as a public area with its historic texture, but it is a unique place along the entire Bay as an urban, intensely used public waterfront. As an urban waterfront, the pursuit of open waters is a valid goal, however, it has to be balanced with the concerns of an urban place. It is hoped that the commission will consider the testimony on the importance of the historic urban waterfront. Removal of piers, especially sound piers, are viewed as inconsistent in the City's general plan. That is because it detracts from the existing fabric and pattern of the City. The finger piers are a very important urban design and an urban space defining element of the City. Removing finger piers, especially sound ones, for the sake of open waters, creates opportunities more for automobile oriented waterfronts rather than mobility and access for pedestrians. It is the City's belief that the intricacies of the framed view, the surprise urban view through openings and through the perusal of the waterfront on foot is more important and richer than just a vast open water that is conducive to driving by faster than staying a while with the view.

The general plan views the removal of the finger piers as opening up gaps much like gap teeth and the City strongly urges the Commissions to consider these policies in the general plan in considering any removal of piers. Even piers that are not of sound structural quality contribute to the fabric, like Pier 15, and they contribute to the improvement of access for pedestrians to the water and connection of the water to the historic fabric and to the current modern uses that the Port and BCDC are contemplating.
Chairman Tufts commented that the Waterfront Planning Committee early on in its negotiations and discussions, determined that it would develop the plan without concern for any regulations or requirements of BCDC, or any other restrictive regulations of any governmental authority. It was left to the staffs to develop the plan and mold it into compliance with the regulations and requirements of BCDC, which may have been the most difficult part of it. Chairman Tufts commended staff for undertaking that project and developing it to the point it is at now.

Michael Yaki, San Francisco Supervisor commended BCDC's staff on an excellent presentation on an issue that is extremely important for the future of San Francisco. Supervisor Yaki referred to a letter he presented, expressing his concern about one part of

the plan regarding the open space plaza to be created on Pier 27. Supervisor Yaki highlighted the concerns listed related to the all weather sports facility proposed on Pier 27. These would be that private funds will be used, not public dollars and if the project should fail, an enormous resource for the young people of the Bay area will be lost. To create a wonderful open plaza is a great thing and of great value, but at the same time to remove an opportunity that would bring many more people to a smaller plaza, but designed by the local community, should be evaluated very seriously.

Supervisor Yaki stated that at Pier 27 and 29 we are being smart, we are being creative, we are creating and protecting open space, we are creating and protecting Bay values, and at the same time we are creating and protecting a valuable resource for our children in San Francisco.

Claude Jacques, representing the Foreign Trade Zone for the Port of San Francisco spoke on behalf of Pier 23. He explained that through a sound marketing strategy much business has been taken away from Oakland. This is based on the simple fact that Pier 19 and 23 are federal land, situated close to the largest conglomeration of restaurants and hotels, attracting business all the way down from Los Angeles. Mr. Jacques explained that his association wants to help grow maritime entities in the Port. The Foreign Trade Zone, as demonstrated in Seattle and Miami, can and have actually changed the ports. The same thing can be accomplished in San Francisco. All that is needed is a little space such as the space at 19 and 23 which is crucial to the organization. This is part of a master plan designed along with five other people from the Port, which would allow the transportation of containers on barges. Pier 23 is deep enough to allow a barge to come in next to another barge to do a roll-on/roll-off. This will result in thousands of trucks being taken off the freeway.

Mr. Jacques explained that if Pier 23 will be gone, it would affect the Port's economy and vitality. There is room for storage under the umbrella of the Foreign Trade Zone. If the FTZ is no longer on the Northern waterfront, it would be very difficult to compete against Oakland. It would also create undesirable traffic. Pier 23 is the only pier in the entire Port that has direct access for trucks. It was designed to do that. Pier 23 is also the home of Local 6 and if allowed to stay, Local 10 would be added as well. There will also be a significant increase in rental revenue payable to the Port, up to $1,700,000. In five years from now the rent would be close to $3 million.

Flicka McGurrin, representing Pier 23 Cafe and member of the Hotel Advisory Committee as well as the Piers 27-29 Committee, expressed concern that suddenly the prospect of this development has been put on the back burner, rendering all the meetings held almost null and void. When asking people to take the time off their schedules to meet for a specific purpose, the people should feel that their efforts are meaningful. She also expressed concern about the relationship between BCDC and the Port of San Francisco and hoped that this relationship will become productive and constructive for all concerned. People working on the waterfront need the cooperation of the agencies, because it makes it difficult for small business people to function and follow a cohesive path in their business life if the two agencies cannot work together.

Ms. McGurrin stated that the open space at Pier 7 is somewhat of a disaster in her opinion. The open space at Pier 39 has never been utilized in a very efficient way. The open space view-corridor concept is elegant, but it cuts out the colorful parts of the waterfront. She also pointed out the dangers confronting pedestrians at open spaces due to heavy traffic and that BCDC ought to consider the assessment of the advisory committees, rather than sticking to its own agenda.

Garrett O'Doherty of Pacific Marine Yachts, member of the North East Waterfront Advisory Committee gave a brief overview of the Waterfront Plan. After being accepted by the community, the Port has vigorously marketed this plan to the business community as well as to the neighborhoods. Having worked on the advisory committee the expectation was that this plan would be accepted and approved. With the attachment being proposed this afternoon which may be approved on January 6th, it seems to greatly discredit the efforts put into the waterfront plan over the last five years, nor does it take into consideration the committees that were put together to implement the plan. From the community's perception, the Port's staff is conceding on too many items from the original waterfront plan. Mr. O'Doherty suggested that it would seem appropriate with these five advisory committees, that perhaps Save The Bay and BCDC assign an individual to each committee so they can bear witness to the efforts that are being put forth by the community on how these plans can be implemented. He then read headlines regarding the latest RFP from a local newspaper.

Mr. O'Doherty asked how BCDC and Save The Bay have come up with this attachment and if there was any community involvement in this regard.

Anne Halsted, President of the Telegraph Hill Dwellers, Co-Chair of the City's Open Space Committee, and member of the Port Commission for twelve years addressed both commissions as Chair of the North East Waterfront Advisory Group, consisting of 19 diverse members representing many different interests on San Francisco's waterfront. The committee convened in June of 1999 and held nine public meetings with respect to the development of Piers 27 to 31. The conclusions of the committee merit the commissions' detailed attention as they reflect the committee's idea of the highest quality open space and water access for those who experience the waterfront, whether from land or from the water. The recommendations are consistent with the 1996 agreement between the Port and BCDC. The committee looked at BCDC's decision of having a 3 acre plaza, however could not understand that to be a publicly endorsed policy and found it wanting and insufficient. She urged the Commission to listen to the details of the concerns and integrate them into BCDC's final recommendations before finalizing the plans.

Eva Lieberman, urban designer and planner for the City and County of San Francisco for 18 years, member of the North East Waterfront Advisory Committee for the development of Pier 27 to 31 presented the commissions with the open space concept that her committee has developed for Pier 27-29. She asked the Commission to consider their open space concept as well.

Tom Creedon, Chair of the Fisherman's Wharf Advisory Group and President of Fisherman's Wharf Association and Fisherman's Wharf/Port Tenants Association read a letter he presented and was supplied to the commissioners. His group strongly supports efforts to reconcile, through a public process, differences between the BCDC's San Francisco Special Area Plan and the Port's Waterfront Land Use Plan. The Fisherman's Wharf community supports the creation of additional open space, but is very concerned about the location, size, design and implementation of this open space. Mr. Creedon asked the commissions to have the Fisherman's Waterfront Advisory Group fully involved in the planning process for new open space and a plaza at Fisherman's Wharf. He listed the various advisory committees involved with various issues in and around Fisherman's Wharf.

Fred Pecker, member of ILWU Northern California District Council and Local 6 Warehouse Union stated that the members of ILWU worked long and hard to build coalitions around the environment and issues of the economy as well as keeping decent jobs in the Bay area. Mr. Pecker noted that there are many people who make their living off this waterfront in the traditional sense - not as part of history but as part of the future. Pier 23 and 17 are active within Local 6 as well as other businesses up and down the waterfront that are active and contribute to the economy, keeping the City diverse. A balanced approach instead of clearing out the waterfront as the plan proposes, where there is still work on the waterfront as well as a place where people can come and promenade, would be much more desirable. People need to maintain decent jobs which allow people to live in the Bay area and support their families.

John Infantino, Vice President of LCOR Public/Private noted that LCOR has submitted a proposal to the Port of San Francisco for the development of Pier 30-32 and the Bryant Street Development Project. In the development of the plan LCOR has been monitoring the Port's and BCDC'S effort to develop an agreement for a new Waterfront Special Area Plan and LCOR has attempted to incorporate those concepts into its planning. The proposal for the James R. Herman Cruise Terminal conforms in all respects to the framework agreement in particular, by providing a North berth for the cruise ships on Pier 30-32. No fill would be placed in the open water bases between Piers 32 and 38. The proposal includes a significant open space plaza at the end of Pier 30 side of the cruise terminal, which would flow into the pier aprons. The 231 parking spaces proposed on Pier 30-32 are incidental to the cruise terminal use and not to non-maritime uses proposed for the pier. The proposal includes two upland locations for additional parking. One of the most important aspect of the plan is the commitment to the Port to pay for the entire cost of rehabilitating and expanding Pier 30 and 32 and the removal of Pier 34. LCOR has also pledged to build and finance the $5 million Brannan Street Wharf Open Space and Park, offsetting the cost against the annual payments to the Port. LCOR would be willing to remove Pier 36 on the same basis. The result of LCOR's proposal would be that all of these waterfront improvements could be completed with the opening of the new James Herman Cruise Terminal rather than waiting years for the Port to accumulate sufficient funds to undertake the work itself. With the Port relieved of the responsibility for this work, it could immediately turn its attention and resources to other equally significant

projects. LCOR has prepared preliminary conceptual studies which will be left with the commissions today.

Jeffrey Leibovitz, member of the Bryant Street Pier Project Advisory Group, working on the James R. Herman Cruise Terminal Project, and a member of the Board of Directors' Portside Waterfront, a 220 unit waterfront condominium development in the South Beach community addressed the Brannan Street Wharf project. He requested that the Port not only establish a public access account, but fund and tie the development of piers 28-32 and 30 to the funding of the Brannan Street Wharf project and that these funds not be used for other purposes. Piers 30-32 would encourage development of as much open space as possible and allow for the interfacing of public with the Bay and not just at the ends of the piers, but also along the southern edges of the pier. One of the proposals for the James R. Herman Cruise Terminal is to develop an ancient harbor scenario, which brings open space to the southern edge of piers 30-32 which would be an important public amenity for the entire City of San Francisco. This design should be encouraged, similar to the aquatic park design in San Francisco, and it would be an enormous benefit to the entire citizenry.

Parking as it relates to the cruise terminal and piers 30-32 should take into consideration the related congestion caused by the new China Basin ballpark located approximately half a mile to the south along the Embarcadero. On site parking should be encouraged on the pier to quell the traffic congestion in the residential neighborhoods located directly across from the cruise terminal. This is a fast growing, dense residential neighborhood that will be inundated in the future with more traffic. One of the proposals is putting 550 parking spaces on the pier which is incidental and used for the cruise terminal and keep it out of the neighborhoods. Mr. Leibovitz urged BCDC to be sensitive to that fact and will give merit and weight to the traffic congestion currently surrounding the South Beach community.

Nunzio Alioto, President of Alioto Fish Corporation referred to Joe LaClair's opening comments in which he mentioned that staff would be working with the merchants of Fisherman's Wharf in developing a plaza within the area. He drew attention to a document dated December 10, 1999 on BCDC stationery discussing staff report and recommendations on a framework agreement between the staffs of the commissions. Mr. Alioto quoted *to develop major public plaza extending to the Bay in the area generally bounded by Jefferson, Powell and Taylor Streets, better known as the Triangular parking lot.* The Alioto Fish Corp is actually in favor of a plaza in that area. Size, location, restrictions on that plaza obviously need to be addressed.

Mr. Alioto then brought up the issue of parking. Free, convenient, validated system in that parking lot is absolutely essential to the vitality of the businesses in Fisherman's Wharf, mainly the long-term restaurant leases, which right now share in a parking validation system. The other issue is, within that triangular parking lot the Alioto Fish Corp has a long-term lease. The intentions of the corporation with the grace of the Commission, is to develop an exciting project. It is Alioto Fish Corp.'s belief that it should be involved in the discussions and process of this planning.

Corinne Woods, resident of the China Basin waterfront and active in this process for many years, stated that she supports this framework agreement and hoped that the staffs will be bringing the public into the process. She expressed concern that BCDC is giving up a lot, by giving up the McAteer-Petris water-oriented use agreement and letting uses on the piers and the seawall lots be only subject to public trust uses. There are timing and linkage issues involved in this. The agreement provides for a public access account, consisting of 25% of gross cash receipts from all major new developments on piers and seawalls to fund the Brannan Street Wharf and the Northeast plaza. Plazas will be constructed as soon as there is sufficient funds in the account to permit access and funding. Depending on the pace of development, it could take many years to fund these plazas. BCDC and many members of the community originally asked that there be very specific time tables for development of the public access improvements from which the port will benefit because they will get the commercial development. The Port stated they cannot make a firm time table. This may result in the Port being tempted by the lure of a developer offering to pay for public access improvements to accept a use of a pier that is either inappropriate for waterfront use or too dense for waterfront use. The Port could actually postpone development of the open public access areas until the end of build-out of a lot of this commercial development, which would deprive the citizens of San Francisco of waterfront access.

Ms. Woods strongly urged the commissions to ask their staff and the public to address these potential conflicts and try to resolve these.

Ernestine Weiss endorsed the merging of BCDC and the Port to work toward a common goal of a beautiful waterfront. Ms. Weiss expressed admiration for LCOR's plan on pier 30-32 which will make this the most fantastic pier of the whole waterfront. More such vision is needed for the future. Useless piers should be torn down, however, piers such as pier 23 which is being put to good use should be considered very seriously before tearing it down. Ms. Weiss urged the commissions to keep opening up the waterfront for public access and continue to develop such projects.

Pamela Duffy spoke briefly to one issue, which is that BCDC initiate the proposed amendments on January 6th. She expressed respect for Save The Bay and the hard work by BCDC and the Port's staffs. Unfortunately, three years of work by a small group of people that the public was not invited to and that the long-standing and diligent advisory committees to the port were not invited to, does not constitute three years of public discussion. The only public discussion of this proposal so far is today. Ms. Duffy suggested that there are numbers of sophisticated, dedicated citizens with literally decades of knowledge about the waterfront, who have not been involved in this decision-making process and ought to be. Undue haste to propose the amendments on the 6th of January seems disrespectful of the hard work and detailed work and experience these people can bring to the process.

Roland Betts, Chairman, Chelsea Piers Management, Inc. in New York City, a potential respondent to the RFP which was recently issued by the Port, addressed a single issue - the potential demolition of a substantial portion of Pier 27. Mr. Betts described the Chelsea Pier public recreation athletic facility, occupying four piers on the Hudson River, attracting

over 3 million people annually. He then compared the vast amount of column-free space that made Chelsea Piers so successful, with Pier 27 which, with over 200,00 square feet, may be the largest column-free waterfront space in the United States, allowing for the creation of a first-rate spots facility. The Northeast Waterfront Advisory Group, chaired by Anne Halsted outlined in great detail the parameters of the recently issued RFP.

The construction of a sports and entertainment complex for residents and families in San Francisco is a great opportunity and will serve as a magnet to draw Bay area residents to the waterfront. The vast column-free space in Pier 27 is central to this vision.

Demolishing a substantial portion of Pier 27 makes no sense because removing half of Pier 27 would eliminate any possibility of a viable sport recreation facility. The contemplated park of 150,000 square feet would impose a $15-$20 million burden on a developer, while a sports and recreation facility and will be profitable in San Francisco. An alternative site for a large plaza and open space would be the best solution and give San Francisco the best of all worlds - a first-class sport and entertainment complex and the open space needed to make the waterfront plan a success.

Mr. Betts urged both commissions not to tear down Pier 27, but to consider the complex as envisioned by the RFP.

Nan Roth spoke on behalf of the Telegraph Hill Dwellers with special interest in the Northeast waterfront. THD members took an active role in the citizen planning process pursuant to Proposition H, as well as taking an active interest in the development of the design and access element and in the special area plan with BCDC. The Telegraph Hill Dwellers are in general support of the framework agreement between BCDC and the Port, especially the public access objectives together with adequate protection of the historic resources on the waterfront. She reminded both commissions that the Port has failed to complete full documentation of historic resources and to evaluate how to increase public access and views in a manner compatible with historic preservation as agreed to in section 6 of the 1996 draft concept agreement. Until full documentation of historic resources has been accomplished THD cannot support removal of Piers 17 and 23.

Ms. Roth further referred to page 1 of the current Bay Plan summary, under uses of the Bay, it makes the statement *the most important uses of the Bay are those providing substantial public benefits and treating the Bay as a body of water, not as real estate*. No other project of this magnitude has come before this Commission. The form and scope of future development on the waterfront are in the hands of the Commission. The stakes are clear. It was arrogant of the Port to put out RFPs for two such large projects before the conflicts between the waterfront plan and BCDC's policy have been resolved. There is no broad consensus or vision on the waterfront. It has been a process of divide and conquer, playing one special interest against the other.

Ms. Roth went into details of the Port's issuing RFP's before coming to an agreement with BCDC's regulations. The burden should be on the Port and not BCDC to provide more than it receives in the critical re-apportionment of jurisdiction.

Jennifer Clary, Waterfront Chair of San Francisco Tomorrow and member of the Fisherman's Wharf Advisory Committee and Pier 27 Advisory Committee stated that it is understood that the Port's priorities, their public trust requirements are to encourage maritime use of their property and to enhance public access of the waterfront. Development interests can exert heavy pressure on free open space interests. For BCDC giving up its jurisdiction over use it is expected that in return it will confer protection for the historic district that will be created.

Ms. Clary urged both commissions to speak to every interested party before adopting final amendments.

Jane Morrison, member of the Waterfront Advisory Committee spoke to the importance of open waterfront access to the Bay. She expressed support for keeping and increasing maritime use. It is important for the Port to make this agreement on open space before it begins to make development plans.

Bobby Gillory, Business Agent with ILWU Local 10, representing the ILWU on the Bryant Street Pier Advisory Group and Southern Waterfront Advisory Group emphasized that ILWU is not represented on the Northern Waterfront Advisory Group. This plan was created without any input from the ILWU. This plan will destroy good paying jobs. Governor Davis has just created a Commission that deals with transportation on the Bay and part of their plan has included increased barge traffic carrying commercial cargo. It would be unwise to eliminate Pier 23 and Pier 27. Pier 27 could take the overflow containers from Pier 23. There will be a europerization of the great waterways of the Bay and preparations for the future need to be made. Pier 17-19 is a working pier with workers who have been there for a long time. Every dollar that is created at the waterside multiplies 16 times before it leaves the region. It is inevitable that barge traffic will increase in the future. Mr. Gillory pleaded not to destroy the future of the San Francisco waterfront.

Mary Anne Miller, member of the Waterfront Committee of San Francisco Tomorrow and an urban design planner stated that in her years as a city planner in the City of San Francisco, she learned to actually read the documents, the staff reports, etc. She noted that today's staff report gives the full text of the 1996 concept agreement, as well as the 1999 framework agreement as attachment B. She referred to the preservation of historic resources as given on page 5 of the 1996 agreement, the four bullets which are excellent points. The public expected that those four points would have been amplified now, three years later, instead of being dropped entirely.
Ms. Miller detailed the four points emphasizing the historic preservation and public access values. Developers find that historic resources can actually enhance their projects. The Port has not prepared nor adopted a plan for historic resource preservation.

Ms. Miller pointed out that this preservation of historic resources section now located on page 4 on Exhibit A, the very last item. The language has now been watered down to *An element of the final special area plan will be included that will address historic preservation needs consistent with the public benefits package.* Ms. Miller asked for a

clarification of the meaning and why the previous elements of the 1996 agreement have not been amplified.

Ms. Miller also questioned the wisdom of pier reconfiguration. Piers should be kept and restored and not reconfigured conglomerating piers. Ms. Miller urged the Commissions to drop the word *reconfiguration* from the staff report. **Stewart Morton** of the Russian Hill Improvement Association and Northeast Waterfront Advisory Committee expressed concern over the demolition of Piers 17 and 23. At this major decision-making time all the information needed is not available. Almost all the piers south of the Ferry building are lost already and now there is a chance to really make this area a special area. Taking piers out does not do it. The piers are terrific, all wood and if historic resources were documented one would find Pier 17 to be a very special pier. Pier 23 is in fine shape. Open space is wonderful, but this can also be achieved by walking out further along these piers, where the Bay just opens up and becomes magical. Public access will allow that. Big wide areas are not what is needed here, they already exist elsewhere along the waterfront.

Mr. Morton suggested to give this a great deal of thought, get some history, lots of documentation as to what these piers are all about rather than theoretically drawing on a map. It would be wonderful that the use of these piers will revert to maritime use. Historic resources need to be looked at.

Ellen Johnck, Executive Director of the San Francisco Bay Planning Coalition, a non-profit organization representing about 170 shoreline property owners, primarily maritime related or connected businesses. The coalition is an advocate for balanced use of Bay resources with a long history of close cooperation with Save The Bay and BCDC. Based on what Ms. Johnck heard today she thought that this agreement should not be an ultimatum. It definitely needs some more work. She urged the commissions to listen carefully to the community groups representing the working waterfront because there is a lot of interest in how the piers are going to be configured. More discussions are needed and flexibility given to how BCDC's and the Port's goals of achieving open space and development can be accommodated.

Redmond Kernan speaking for RFK Associates and as a prospective development entity for Pier 27, 29 and 31, expressed concerned that BCDC's staff position of removing a third or more of Pier 27 would cripple the efforts to develop that pier. If one walks to the end of Piers 27-29 it feels like it is halfway to Treasure Island and the observation from there is wonderfully enhanced. There is a conflict between the two staffs- one with a smaller plaza and one with a larger plaza. He explained the values of things to look at in lieu of vast open expanse. Activities create an interest that is perhaps more important than the view to some great distance. The waterfront should be activated by way of bringing smaller boats, ferry boats, moving people onto the water so that they can experience the water themselves and this can be done with a smaller plaza and an active boat basin in that area.

Mr. Kernan urged the commissions to consider this and to also reconcile the conflict more in line with the Port's staff recommendation.

Charles Chase, Executive Director of San Francisco Architectural Heritage applauded the commissions' decision to come to common terms on this issue. Mr. Chase expressed concern regarding the historic resources of the waterfront and urged the commissions to continue with the 1996 agreement that puts historic preservation and historic resource recognition as a part of the plan. A comprehensive assessment to include both historic and structural considerations for all improvements in the Northeast waterfront should be accomplished before any final decision on specific removal of bulkhead, shed or pier structures. He also urged the commissions to strike a balance between open space, historic preservation and economic development based upon a comprehensive resource assessment for the waterfront.

GG Platt thanked both commissions for including the historic preservation community in a number of recent discussions about the waterfront and looked forward to continued cooperation. The historic resources on the waterfront need to be delineated so that everyone will know what is important and what is not, in order for planning decisions to be made. Continuing with the 1996 Waterfront Agreement delineating the four points would be helpful.

MOTION: Commissioner Corbin moved, seconded by Commissioner Kondylis to close the public hearing. The motion carried.

Executive Director Will Travis stated that the public testimony today was extraordinarily valuable. A lot of relevant, legitimate interest expressed need to be addressed. As explained by Chairman Tufts at the outset, what the Port did in its waterfront planning was, that in order to have as expansive and creative a view as it could of the Waterfront Plan, decided not to look at existing laws, policies and restrictions, but sort of develop a kind of visionary plan for the waterfront. That was done. What has been negotiated over the past few years is how we refine that plan and bring
it in conformity with existing state law.

In essence, what was found is that the only way to address and give a platform for the kind of innovation that the Port wants, is essentially to waive BCDC's policies as to what can be done on piers and replacement piers. The way found to do that is to find that this is a necessity of the health, safety and welfare of all of the citizens of the entire Bay area. In order to have that legal finding, it is staff's and the Attorney General's belief that there has to be something substantial that the public would get out of this plan that would not be gotten by simply reviewing development in the old way; pier by pier by pier. Those elements are the open water and reduction of the coverage of San Francisco Bay by fill and some substantial open plazas.

As heard today, the difficulty is that people liked the idea but they want it somewhere else. Staff has marched up and down the waterfront so many time looking where the appropriate places are for the open plazas and have applied some very reasonable urban design and public planning policies and came up with these recommendations. Essentially this started of to be three large open plazas and removal of a lot of piers, to the removal of fewer piers, one plaza which will be built largely on replacement fill, one which there is a

commitment to have one future at Fisherman's Wharf, and another one at a place that everybody is concerned about. What staff has done is ask the San Francisco Planning and Urban Research organization to convene a workshop to work out the details of that plaza. Going from here, at BCDC's next meeting staff would bring a brief descriptive notice, which is a notice that simply indicates that the Commission is going to start the process, initiate the process of amending the San Francisco Special Area Plan to embody these broad ideas. Then there will be a series of workshops, public meetings and this will be done jointly with the Port and then ultimately this will culminate with hearings before BCDC.

Mr. Travis strongly urged to take advantage of this venue and to have again a joint hearing between the Port and BCDC and perhaps allow some greater amount of time. This is the process envisioned for moving forward; to address the concerns and to legitimate frustrations of everybody who was involved in this planning process which now has taken a twist to bring it into accord with state law.

Commissioner McWilliams echoed and expressed support for comments made by two members of ILWU. He further stated that it should not be a surprise to anybody now or in the future of having a particular opinion about what happens on the waterfront. To continue on with the gentrification of a working waterfront is something he would never support. The mission of revitalizing the waterfront is of utmost importance and to this end it is gratifying to finally have some public comment and access to this discussion that the Port has not had yet related to what is going to happen to some of these piers. The balance between commercial development and public space is a good one and it has to happen and should be supported, however, it should not be done at the cost of the basic reason the waterfront exists and that is maritime activity. This should be a priority for all and other discussions should happen after that priority is answered. Just because there aren't ships at every single finger pier as in the past, it does not mean that there is not a lot of maritime activity and meaningful jobs that affect the community and has an impact on the whole region. The projections for increased cargo through-put, congested roads, waterways create an opportunity here to use a resource that, if taken away, would be lost forever. And along with that loss will be the lost opportunity of meaningful jobs to maintain working families here in the community, as well as the romance of the waterfront which everybody would like to preserve. There has to be a way to balance the interest of maritime with public access. Commissioner McWilliams stressed that he absolutely supports the mission of BCDC and Save The Bay, but not at the expense of a working, maritime, industrial waterfront. Some of the proposals made here today directly speak to taking that resource away. This process will go forward with all the necessary conversations needed in a way that allows optimum access and public comments. Commissioner McWilliams spoke to future projections for cargo movement on the West Coast and the Port's ability to make use of these important resources and keep them. In conclusion he strongly urged that no conscious decision be made to turn away that resource and ability to maintain and create industrial, maritime jobs.

President McCarthy commented that the testimony proved that a lot of work is ahead, despite all the time spent working on this plan already. The three areas of particular

concern in comments made were the pier removals in conjunction with maintaining a working waterfront; the open plazas, especially the Fisherman's Wharf and Piers 27-31; and the historic preservation. There ought to be a way to address those particular issues in either smaller groups, involving people who have either been on committees for a long time, and then holding another hearing or two. She suggested that it does not appear at this point that the commissions are ready to just march forward and adopt this. President McCarthy commended staff for all the hard work performed so far.

Commissioner Kondylis stated she learned a lot and shared the concerns expressed, especially with regard to historic preservation and the working waterfront. She asked how saying that this study should be done and compromises should be reached because of their importance, would impact the planning process.

Will Travis stated that it would delay the Port and BCDC from approving a number of projects that are coming up on the horizon. Mr. Travis proposed to bring a notice to the Commission which would allow the starting of a process to do one of two things. One, of revising the existing Special Area Plan to incorporate these ideas, and two, simply to rescind the existing Special Area Plan and let everything along the San Francisco Waterfront go through the same process that anything anywhere else around the Bay has to go through.

Commissioner Kondylis suggested to put special conditions on any approvals providing that they don't impact these areas until they can be further studied. This would give clear direction and impetus to continue the work.

Will Travis replied that the balance that is being brought forth in the Special Area Plan says *let's waive all the rules that apply everywhere else around the Bay on the San Francisco Waterfront* and in return for that the Bay, BCDC and the objectives of the McAteer-Petris Act are being advance in another fashion. If all of the piers are being kept and no significant open space is provided, then this can be achieved by just having the application of the existing rules. There is no reason then to waive the rules. Certainly, studies can be engaged in and then not initiate the process of amending the plan yet until that process is done.

Chairman Tufts referred to Marc Holmes' indication that an historic strategy still is to be worked out and stated that it may be a little premature to start anticipating what it should be and what formulation this should take.

Jeff Blanchfield indicated that as part of the planning process the recommendation is that staff will be looking at those historic issues.

Commissioner Bierman stated she has been involved in the waterfront process for a very long time and was gratified to see the great caring demonstrated by local activists and citizens about this project. The job issue and the open space is foremost on Commissioner Bierman's mind. She thought more work needs to be done with the community and should

be broad enough to encompass input from all the people present today. More hearings might be in order to clarify many of the issues.

Port representative Osmundson stated he took detailed notes of the comments made by many of the speakers on the historic preservation issues. He reminded everyone that the Port's commitment to preserving historic resources on this waterfront, such as Pier 1, for which BCDC issued a permit earlier this year, is on the National Register of Historic places as is the Ferry Building, which will be renovated to the Secretary of Interior standards, a project for which BCDC will be considering a permit shortly, is very serious. The balancing that needs to be done requires that all the different issues be looked at together.

Commissioner Leal referred to the open space concepts at Pier 27; one being proposed by BCDC and inquired if the Port had agreed to that.

Mr. Osmundson responded that for purposes of starting the public hearing process, a plaza at the Northeast Wharf is part I of the open spaces that Mr. Travis referred to as 'the package'. A plaza has been agreed to at Pier 27.

Commissioner Leal then asked for a clarification of what the advisory committee came up with as opposed to BCDC's proposal.

Mr. Osmundson replied that the Northeast group came up with objectives and guidelines for an open space at Pier 27 that were more general and did not call for the same specificity with regard to views and building demolition as the BCDC proposal for demolition of the pier and certain view corridors.

Ms. Lieberman then explained what the Advisory Committee of Pier 27-25 came up with for open space. The main difference was not as much size but distribution.

Mr. Travis acknowledged that this was the first time BCDC's staff saw the proposal as explained by Ms. Lieberman. He proposed to go forward with a design workshop in which this idea would be taken up together with BCDC's idea which was based on urban planning principles and view corridors. These kind of ideas can be incorporated into the workshop. BCDC's objective is to reconnect San Francisco and the waterfront and this is not done by just having a place where water can be viewed. It should be something that will attract people to the water.

Commissioner Leal stressed that if there are advisory groups of citizens that are interested, representing a number of different parties looking at this area, close attention should be paid by the Commission.

Commissioner Bruzzone indicated that the only thing that should be agreed on today is that this process will not fail. It was the most historic community-based planning activity probably in the United States and this process must continue. He questioned how long the public hearings are anticipated if the descriptive notice is issued.

Mr. Travis indicated that it was clear to him that more work needs to be done with the Port on this and that he would not bring a descriptive notice to the Commission at the next meeting. These issues need to be refined before bringing it forth to a public hearing.

Commissioner Bruzzone emphasized that the historical inventory needs to be done together with a healthy public debate.

Commissioner Gioia shared the concern about moving the process forward and at the same time addressing some of the concerns that were raised. If the Commission and the Port want to reach agreement that allows the Port to move forward in a way that is not traditional for them, i.e. not project by project, that there needs to be something that is obtained for the public through BCDC and that is the additional views, the open space. The question then becomes which of the piers are to be removed, what criteria was used to determine which of these piers are slated for removal to create the open space. This is not about removing a working waterfront, but where that working waterfront is. This Commission approved fill to allow an expansion of the Port in Oakland, there is a Port in Richmond, and there is the container port in San Francisco. The Port alone is not the issue as much as the interface between bringing cargo in and connecting by truck or rail to other areas. By not making any decision right now, an opportunity will arise for design workshops to incorporate or collect further information on proposals that were put together by the various citizen advisory
groups.

A lengthy discussion followed on whether or not to interrupt the proceedings to take up item 9 on the agenda. A vote was taken on this issue and it was decided to continue with item 8.

Commissioner Warner said it is a real challenge to move forward procedurally with sufficient focus, without being construed to have endorsed any particular outcome in terms of the framework. It would be a grave mistake to let this issue languish, however, he could not see any particular notice or description in terms of where the Commission would be going. He suggested if there is a way to move forward with a notice to get the formal public hearing process going without endorsement of the framework or a particular amendment, to consider that.

MOTION: Commissioner Warner moved, seconded by Commissioner Bruzzone to direct staff to bring back at the January 6th meeting a notice and description of potential alternative proposed amendments, which alternatives would be broad enough to ensure that the discrete issues aired today by the public would be specifically listed and included in the notice and would then lead to public hearings and comments on those particular issues.

VOTE: The motion carried unanimously by a show of hands.

MOTION: Commissioner Valentine moved, seconded by Commissioner Corbin to adjourn the Commission into a Committee to continue the hearing and adjourn the meeting. The motion carried unanimously.

Commissioner Warner suggested to the extent that the trade-off involves tearing down piers for creating more open space, that there is a lot of discretion in terms of how the trade-offs are to be defined in terms of the amount. It may take the form of a gradation and/or flexibility in terms of what can be fashioned and if the conclusion is reached that this does not go far enough, there is the alternative of suggesting on a San Francisco Waterfront specific basis, legislative changes. At least that would make sure that if there is a consensus for the waterfront that the perfect not be the enemy of the good.

Commissioner Corbin was struck by the different charges that the different agencies have brought to this discussion. BCDC is a Bay area-wide Commission that has to preserve, by state law, maximum feasible public access and preservation of the Bay. The Port obviously is interested in maritime business. The City of San Francisco actually spans both of those interests and it seemed as if the City had some disagreement with the proposal and were not at the table, which is regrettable. There were many legitimate concerns from various aspects of the community that have to be a part of the final consideration and going forward with this plan as though this is the final objective would be objectionable.

Commissioner Corbin expressed her concern about setting precedents for the future. The last comment in terms of being as flexible as possible in terms of the open space that will be created to compensate for fill is dangerous because this is something the Commission is going to have to deal with all around the Bay in the future.

The Pier 27 proposal for a sports complex was an intriguing proposal, however, BCDC has a charge that nothing can be put over the water that cannot go upland. BCDC is being asked to make an enormous concession and the compensation for such should be enormous. Sports complexes are great and in great demand and need in the City of San Francisco, but whether this has to be over the water is something that should be taken very seriously. There is also the earthquake danger in buildings without pillar support.

Commissioner Corbin also questioned if the Northern half and the Southern half of this plan could not be done in phases. There is a legitimate concern about parking around the Bryant Street area that should be addressed, but holding up the South shoreline for all of these complicated legitimate concerns in the Northern part ought to be considered. Part of that concern is the historic inventory which has not been done and should be undertaken immediately.

Commissioner Wall disagreed with AG Eagan's analysis that BCDC can waive jurisdiction and thereby get it by the law and if the Commission can waive the jurisdiction, he would vote against it. It would open the Commission to much litigation if it waived jurisdiction over an area that has been created by the legislature. Commissioners are not elected officials, but are appointed and it is the realm of the legislature to determine what the Commission should do. Commissioner Wall stated that this meeting is the best public hearing he has attended in terms of the quality, presentation and seriousness of members of the public. He also stated that he would oppose a blanket covering of all the projects along the waterfront and suggested instead that every one of the projects, individually, should be

decided upon on their merits before the Commission under the jurisdiction of the McAteer-Petris Act.

Commissioner Rose pointed out that on the removal of Piers One Half, 2 to 24, 34 and 36 no one spoke against the removal of those piers today in any of the public comments. There have been objections to the removal of three piers, 17, 23 and 27 and this may give staff some areas they don't need to look into so much. There seems to be a lot of enthusiasm for the Brannan Street plaza; there is mixed enthusiasm for the Fisherman's Wharf plan depending on where it is and going forward with that project seems to be something most folks are comfortable with. So there is a focused area of conflict, both in a proposed recreational use and in the continuation of a maritime use. Commissioner Rose expressed her support for having another look at the uses for Piers 17, 23 and 27.

President McCarthy thanked all the commissioners for attending this joint meeting and appreciated the fact how well this hearing went and was looking forward to at least one if not more of these hearings in the future. This is a really important issue that can be resolved.

Chairman Tufts thanked the Port Commission for its hospitality.

MOTION: Commissioner Hardeman moved, seconded by Commissioner McWilliams to adjourn the Port of San Francisco's portion of the meeting. The motion passed unanimously.

The meeting was adjourned at 4:30 p.m.

SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING
4:00 P.M., THURSDAY, DECEMBER 16, 1999
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - December 7, 1999 Special Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT CALENDAR**

5. **MARITIME**

6. **REAL ESTATE**

   A. Approval of six separate Exclusive Right to Negotiate agreements between the Port and: RMC Lonestar for real property at Pier 80; Bode Gravel Company/Mission Valley Rock for real property at Pier 92; British Pacific Aggregates Corporation for real property at Pier 94; ISG Resources, Inc. for real property at Pier 90; Grosvenor Bus Lines, Inc. for real property at Pier 96 and Waste Management, Inc. for real property at Pier 70. (Resolution No. 99-97)

7. **FACILITIES & OPERATIONS**

   A. Authorization to Award Contract No. 2613, Construction of the Downtown Ferry Terminal. (Resolution No. 99-98)

8. **PLANNING & DEVELOPMENT**

   A. China Basin Park - Informational presentation of concept design for shoreline park east of Third Street along China Basin Channel.

9. **FINANCE & ADMINISTRATION**

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10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss the responses to the RFP for the Bryant Street Pier Project.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (three cases).
_X_ As Defendant _X_ As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

DECEMBER 1999/JANUARY 2000
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Dec. 15	4:30 p.m.	Ferry Building Waterfront Advisory Group	Port Commission Room Ferry Building
Dec. 16 *(Special Meeting)*	1:00 p.m.	BCDC & Port Commission (Joint Hearing)	Pier 35
Dec. 16 *(Special Meeting)*	3:00 p.m.	Port Commission	Port Commission Room Ferry Building
Dec. 21 *(Cancelled)*	9:00 a.m.	Fisherman's Wharf Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Jan. 6 *(Special Meeting)*	1:00 p.m.	BCDC & Port Commission (Joint Hearing)	Pier 35
Jan. 11	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Jan. 12	5:00 p.m.	Rincon Park Design Subcommittee	So. Beach Yacht Club Pier 40
Jan. 17 *(Cancelled)*	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Jan. 18	9:00 a.m.	Fisherman's Wharf Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Jan. 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group does not have any meetings scheduled for December.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

PORT OF SAN FRANCISCO

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MEMORANDUM

December 10, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Framework for BCDC Plan Amendments

Summary:

As part of its continuing effort to implement the Waterfront Land Use Plan, the Port has been working extensively with the Bay Conservation and Development Commission (BCDC) to achieve consistent land use, public access, and other policies in BCDC, Port and City plans. Following lengthy negotiations, staff of the Port, BCDC and Save San Francisco Bay Association (Save the Bay) are presenting the proposed framework for amending BCDC's Bay Plan and San Francisco Special Area Plan (SAP) (included as Attachment A), for public review. The amendments will update BCDC's policies to address the principles contained in a Draft Concept Agreement approved in 1996 (included as Attachment B), to achieve the following goals:

- Remove piers to create open water
- Create new plazas on the waterfront
- Improve the design, location, and amount of public access on piers
- Development new rules for replacement fill and pier reconfiguration or reconfiguration
- Develop new rules governing land uses on existing piers

On December 16th, 1999, Port, BCDC and Save the Bay staff will provide a public briefing at a joint meeting of the Port and BCDC Commissions. The public meeting will take place at the Port's passenger cruise terminal at Pier 35, beginning at 1:00 p.m. This will be the first of many public meetings and workshops to address the content of the proposed changes to BCDC's plans. Following the December 16th public meeting, BCDC staff intends to request formal initiation of the BCDC plan amendment process at their

January 6, 2000 Commission meeting. Prior to any BCDC action on plan amendments, a draft of the actual plan policies derived from the framework described in Attachment A will be circulated for public review, and scheduled for public hearing(s) by BCDC.

History

In 1991, the Port established the Waterfront Plan Advisory Board and initiated an extensive public planning process to develop the Waterfront Land Use Plan (Waterfront Plan), adopted by the Port Commission in 1997. Prior to the Plan's adoption, the Port and BCDC signed a Memorandum of Agreement in 1996 to work jointly to resolve policy conflicts between the Waterfront Plan and BCDC's planning documents. Subsequently, Save the Bay Association was included in the discussions with the Port and BCDC.

In December 1996, the Port and BCDC Executive Directors and Save the Bay signed a Draft Concept Agreement. The Draft Concept Agreement outlines goals and principles to be included in amendments to BCDC planning documents, and the Port's Waterfront Plan, which were the subject of a joint public hearing of the Port and BCDC Commissions in 1997. Negotiations to develop the BCDC plan amendments have been underway since. Staff of the San Francisco Planing Department were included in the discussions to ensure appropriate consideration of the City's General Plan policies.

Framework for the Plan Amendments (Attachment A)

The framework for the amendments describes all the categories of key issues that were resolved to provide an improved process for making decisions regarding desirable future development on piers north of China Basin Channel, and to ensure the creation of a package of public benefits in association with those developments. This framework anticipates and sets the foundation for the consideration of amendments to BCDC planning documents, which will contain final details. It is also anticipated that amendments to the Waterfront Plan will be necessary to ensure consistency with BCDC's amended plans.

Based on this framework, the BCDC plan amendments will simplify and expedite the Port's ability to manage and develop its public trust properties under the Burton Act. Concurrently, it will enable the provision of substantial public benefits in the form of public plazas and open space, and enhance the ecology of the Bay.

Diane Oshima and Alec Bash
Planning and Development

Attachment "A"

Draft Framework Agreement Among The Port of San Francisco, San Francisco Bay Conservation and Development Commission, and Save San Francisco Bay Association Concerning Proposed San Francisco Waterfront Planning Document Amendments

December 10, 1999

Introduction

In March 1996, the Port of San Francisco (Port) and the San Francisco Bay Conservation and Development Commission (BCDC) signed a Memorandum of Understanding (MOU) to jointly work on resolving inconsistencies between the Port's *Waterfront Land Use Plan* and BCDC's *San Francisco Bay Plan, San Francisco Waterfront Special Area Plan* and *San Francisco Waterfront Total Design Plan* consistent with the McAteer-Petris Act. At the invitation of both BCDC and the Port, Save San Francisco Bay Association (Save the Bay) joined the discussions. As prescribed in the MOU, the staffs of the three organizations held a series of meetings to craft consensus agreement for policy amendments to the Port's and BCDC's planning policy documents. In December 1996, the Executive Directors of the Port, BCDC and Save the Bay signed a Concept Agreement which endorsed several elements of agreement reached by the staffs and narrowed the remaining issues to be resolved. Pursuant to the Concept Agreement, the staffs, with the participation of the San Francisco Planning Department, continued to meet and have reached agreement on resolution of the remaining outstanding issues. The framework of that resolution, follows.

Pier Removal (see Figure 1)

- Remove Piers 17, 23, 24, 34 & 36
- Remove Pier ½ consistent with the Special Area Plan as part of the Ferry Terminal Phase 2 development project.
- Remove Pier 2 consistent with the Special Area Plan either as part of: (1) the Agriculture Building improvement project, or the Ferry Terminal Phase 2 development project, which ever comes first; or (2) any reconstruction of Sinbad's Restaurant.

Pier Use and Reconfiguration

- Piers not wholly reconstructed may be used for any use consistent with the public trust. Repairs can be made to these piers, including seismic improvements, without triggering the McAteer-Petris Act water-oriented use criterion.
- Wholly reconstructed piers must be used for water-oriented uses.
- Any wholly reconstructed pier or improvements to existing piers shall not extend beyond the existing pier footprint except as provided below.

Uses Allowed in Open Water (see Figure 1)

- Provide open water basins between Piers 19 and 27, Piers 3 and 9, south of the Agricultural Building and Pier 22 1/2, and between Piers 32 and 38 (see attached exhibit). Within open water basins, limit new fill to:

- Mooring buoys or platforms for transient boats to provide shoreline access.
- Berthing of boats at the boundary piers surrounding the open water basins, including large ships at Piers 27 and 32.

- Within the other open water areas, limit new fill to:
  - Fill for water transportation uses, such as ship and boat berthing facilities, mooring dolphins, buoys, floats and similar support uses.
  - Minor, pile-supported fill for commercial recreation. Amount of new pile-supported fill for commercial recreation will be offset by removal of equivalent amount of pile-supported fill elsewhere on the northeast waterfront not otherwise designated as a pier for removal.
  - Minor fill for improving shoreline appearance or public access to the Bay.
  - Historic ships *(number and location to be determined).*
  - Areas appropriate for additional ferry terminals.

Public Plazas (see Figure 1)

- **Brannan Street Wharf.** Plaza supported on piles over the water between Piers 34 and 36, to be at least 600 feet long with potential to be expanded to 1,000 feet, and at least 57,000 square feet in area.

- **Northeast Wharf Plaza**
  - Plaza at the base of Pier 27 to be the principal, "signature" waterfront plaza on the Northeastern Waterfront.
  - Plaza to be approximately three acres in size in order to provide public benefits and unobstructed views of the Bay Bridge, Bridge tower and Yerba Buena Island; and designed to function as a major attraction for San Francisco residents and visitors.
  - Convene an advisory design workshop to facilitate and assist the Port, BCDC and Save the Bay in arriving at a design solution(s) for the plaza that maximizes public benefits and use of the plaza.

- **Fishermans Wharf Plaza.**
  - Develop a major public plaza extending to the Bay in the area generally bounded by Jefferson, Powell and Taylor Streets. Establish a Fishermans Wharf plaza planning process involving the tenants, Port, San Francisco Planning Department, BCDC, Save the Bay and other interested parties to address the many issues associated with a plaza at Fishermans Wharf and to establish a plan and implementation program for effectuating the plaza.

Public Access

- **Bayside History Walk.**
  - Create a "Bayside History Walk" to provide public access to the Bay's intimate and quiet spaces behind bulkhead and connector buildings, provide views of the inner structure of the pier sheds and bulkhead buildings, to provide interpretation of and make accessible to the public these unique physical assets of San Francisco's maritime history.
  - Provide interpretive amenities with each improved segment of the History Walk, including historic photographs, explanatory text and Maritime artifacts so that the History Walk functions as a self-guided tour of the waterfront.
- **Finger Piers** (Piers 35, 33, 31, 19, 15, 9, 3, 1, 26, 28, 38 &40).
  - Projects on historic finger piers, where there is no change to the pier shed, shall provide to the maximum extent feasible, public access on the entire apron, the Bayside History Walk, and an additional public access facility consistent with the project and size of the pier consistent with the Secretary of the Interior's standards.
  - Projects on other finger piers where the pier shed is significantly modified or a new building is constructed shall provide public access on the entire apron, the Bayside History Walk, and an additional significant public access facility that is consistent with the project and size of the pier.
- **Large Piers** (Piers 30-32 & 27-29).
  - Large piers shall have a higher proportion of their area devoted to public access and open space than finger piers.
  - Public access provided shall consist of:
    - perimeter access
    - significant park(s)/plaza(s) at the end of the pier
    - additional areas, e.g., small parks or plazas integrated into the perimeter access.
    - significant view corridors to the Bay from points on the pier where, by their location, have more of a relationship to the water than to the project.
- **Small Projects on Piers.**
  - Smaller projects that redevelop a small portion of a pier will provide maximum feasible public access consistent with the project.
- **Maritime Uses.**
  - In those instances where maritime use projects create public safety concerns, public access may be restricted or not required.

- **Interim Uses**

  - Public access for "interim uses" (e.g., changes of lease holders in pier sheds where the use remains generally the same and intensity of use is relatively the same) will be addressed through an expedited permitting process such as a region-wide permit.

Parking

- In its Bay jurisdiction, BCDC will apply its policy that parking is not a water-oriented use. Therefore, parking can not be permitted unless it is clearly needed and is incidental to a water-oriented use.

- Parking on piers will be planned to minimize adverse impacts on public access.

Fund to Finance Public Benefits

- The Port will allocate a percentage of its annual net income to fund the public benefits package (pier removal and plaza development).

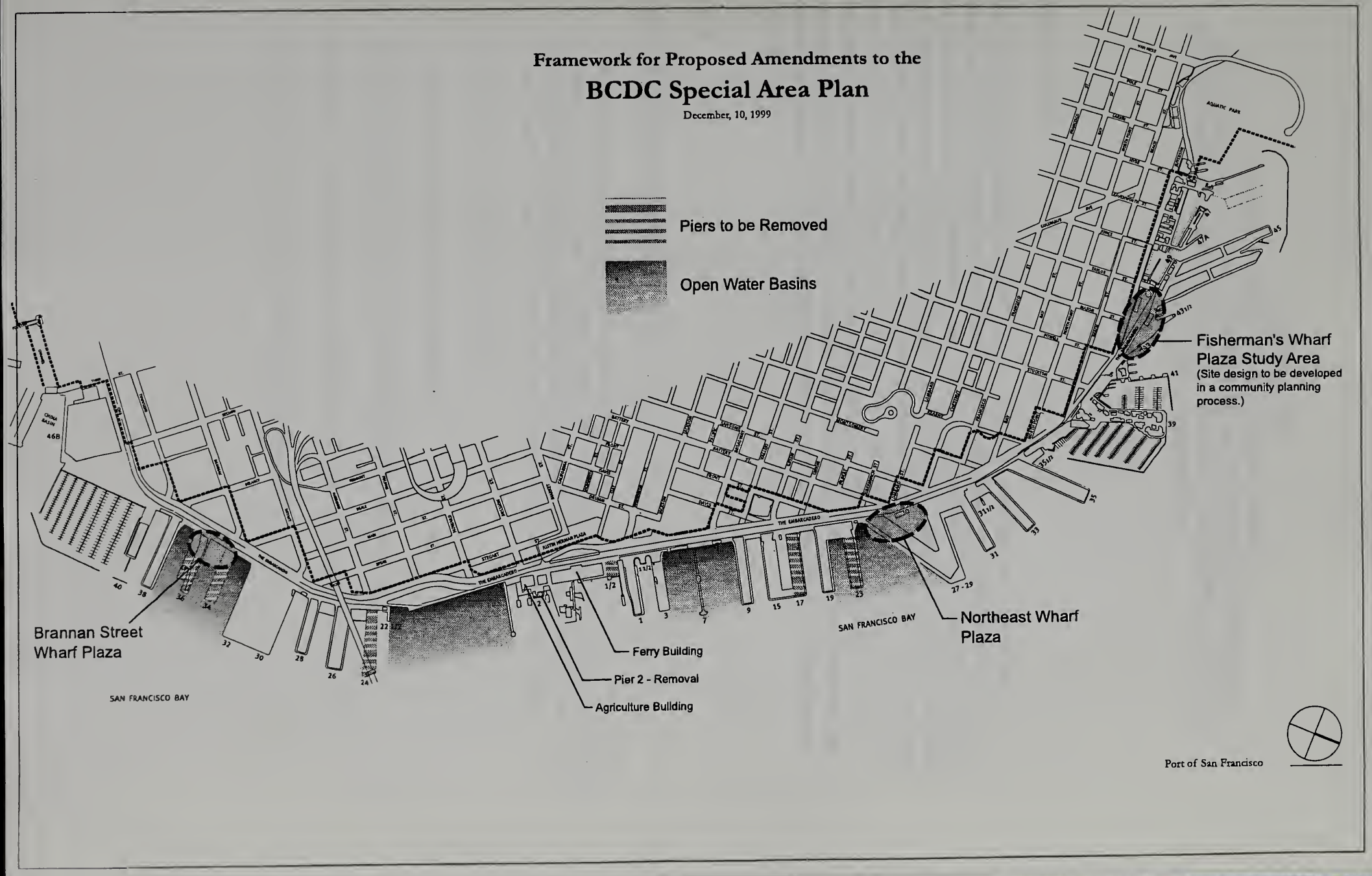
Preservation of Historic Resources

- An element of the final Special Area Plan will be included that will address historic preservation needs consistent with the public access benefits.

Framework for Proposed Amendments to the

BCDC Special Area Plan

December, 10, 1999



Port of San Francisco

Attachment "B"

DRAFT CONCEPT AGREEMENT AMONG THE PORT OF SAN FRANCISCO, THE SAVE SAN FRANCISCO BAY ASSOCIATION, AND THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

December 12, 1996

INTRODUCTION

In 1996 the Port of San Francisco ("Port") and the Bay Conservation and Development Commission ("BCDC") entered into a Memorandum of Agreement to guide finalization and implementation of the Draft Waterfront Land Use Plan ("Waterfront Plan"), including an Urban Design and Public Access ("UDPA") element. Pursuant to that Agreement, the staffs of BCDC and the Port have been meeting to develop recommendations on certain key BCDC-related issues for presentation to the Technical Advisory Committee, the Waterfront Plan Advisory Board, the BCDC Design Review Board, the State Lands Commission, members of the public, and the Commissions of BCDC and the Port. At the invitation of BCDC, the Save San Francisco Bay Association ("Save the Bay") participated in the discussions and has agreed with this concept agreement.

GOALS

The goals of this Concept Agreement are to:

- Complete the Urban Design/ Public Access element of the Waterfront Plan (the "UDPA") consistent with this concept agreement. The UDPA will describe urban design guidelines for the waterfront including but not limited to the location of significant views and vistas, location of open water, new public access concepts, new public plazas and overall design.
- Remove piers to create more open water.
- Create new public plazas on the waterfront.
- Improve the design, location, and amount of public access on piers.
- Develop new rules for replacement fill and pier reconstruction or reconfiguration.
- Develop new rules governing land uses on existing piers.

- Develop means to protect historic resources on the waterfront.

- Expedite permit processing including the creation of a Joint Port/BCDC/City Design Review Committee to help streamline permit processing for new projects on the waterfront.

I. REMOVAL OF PIERS TO CREATE OPEN WATER

The UDPA element of the Port's Waterfront Land Use Plan (WLUP) will specify piers that the Port will remove.

- Piers 34 and 36 will be removed to create a new public space, called Brannan Street Wharf

- Pier 24 will be removed as part of redevelopment of Piers 26 and 28. Any reconfiguration of Piers 26 and 28 must not exceed the combined area of Piers 26 and 28.

- A Special Planning Study will be conducted by the Port, the City and BCDC with public participation to determine the location of additional open water between Piers 15 and 29. New development on any piers in this area cannot proceed until the Special Study is complete and adopted by the Port and BCDC.

- Pier 33 will be removed to create open water; approximately 50,000 square feet of pile supported fill may be replaced between Piers 31 and 35.

- A minimum of two openings between connector buildings will be provided, one at Piers 31 through 35, and the other to be determined by the Port and BCDC.

II. CREATION OF NEW PUBLIC PLAZAS ON THE WATERFRONT

Public access will be addressed through the provisions of the UDPA. Three new public plazas will be created by the Port.

- A central plaza at Fisherman's Wharf, on Seawall Lots 300 and 301, will consist of approximately 70% open space and the balance reserved for a festive market hall for commercial or retail uses. New retail or commercial structures will be designed in a manner compatible with the open nature of the plaza. The open parking lot will be replaced by an underground parking garage.

- Wharf 25, a public plaza in the vicinity of the bases of Piers 19 through 27, will be created The size, location, and other design details will be determined through the Special Study of the area between 15 and 29.

- Brannan Street Wharf will be a public plaza stretching along no less than 600 feet along the Embarcadero. This plaza will be created through the removal of Piers 34 and 36. Some fill will be necessary to create a sufficient open space.

To finance these new public plazas, this concept agreement includes the following funding mechanisms:

- The Plaza and underground parking garage at Fisherman's Wharf will be financed by revenues from new retail and commercial development on the site.

- The Port will create a Public Access Account to fund the Brannan Street Wharf and Wharf 25. The Port will deposit 25% of gross cash receipts from all major new development on Piers and Seawall lots into the account (new revenues from Fisherman's Wharf will not be included, as they are designated to fund the new plaza and underground garage; certain project-specific Port revenues will also be excluded). The Fund will be used to build new plazas, but will be subject to certain requirements concerning priorities for bonded indebtedness.

- Plazas will be constructed as soon as there are sufficient funds in the Account to permit necessary financing. The Brannan Street Wharf will be the first priority for the Fund.

- The Fund may also receive grant or other funding; money from the Fund may be used to remove piers to create open water.

III. PUBLIC ACCESS ON PIERS

- All new development on piers will be consistent with the applicable provisions of the UDPA including provisions relating to the size and shape of public access. The Joint Design Review Committee will review the shape, scope, and level of improvement of public access.

- New development on finger piers will dedicate at least 25% of the pier footprint to public access. For larger piers, it is expected that more public access area will be necessary. The Joint Design Review Committee will make recommendations regarding the extent of public access dedication for larger piers, existing or reconfigured.

- New interim uses that generate a *substantial increase* in the need for public access (to be defined by the parties) will provide maximum feasible public access consistent with the project and the UDPA. Examples of such uses include a new public market or commercial recreation inside an existing shed.

- New interim uses that do not generate a substantial increase in the need for public access would not be required to provide public access. The development of the three new plazas and removal of piers to create open water will satisfy the legal requirements to provide "maximum feasible public access" under the McAteer-Petris Act.

- New development of maritime uses will provide maximum feasible public access, consistent with the project, and will conform to the provisions of the UDPA when feasible.

IV. PIER RECONFIGURATION

Piers may be replaced or reconfigured, consistent with the provisions of the UDPA for each development opportunity area. The following approach will govern the shape and extent of pier reconfiguration:

- The "Permitted Pier Area" will define the maximum square footage or area of the reconfigured pier(s).

- The "Pier Perimeter" will define the boundaries beyond which no replacement or reconfigured fill can be placed.

- New development of water-dependent maritime projects will be subject to special provisions of the UDPA which will balance functional requirements with open water and public access in a manner that encourages such maritime uses.

V. LAND USES ON PIERS

Piers in Port Jurisdiction will be assigned to one of two categories based on the physical condition and useful life of the Pier:

- *Category I:* Piers in excellent or good condition, with expected useful life of 35 years or more. For the purposes of BCDC permits, these piers will be treated as falling within BCDC's shoreline band jurisdiction, and thereby not subject to the water-oriented land use restriction. After 35 years, proposed new projects on these piers will be treated as falling within BCDC's Bay jurisdiction, whereby uses will meet the water-oriented test.

- *Category II:* Piers in fair or poor condition will be treated as falling within BCDC's Bay jurisdiction. Projects on these piers must conform with the public access and pier reconfiguration/replacement provisions of the UDPA. Proposed uses must be water-oriented

The Port will conduct "Basic Maintenance" on these piers in association with interim uses without invoking the water-oriented use restriction; Basic Maintenance consists of replacement of up to 25% (cumulative) of piles.

- Pier reconfiguration or replacement of more than 25% of piles will trigger the provisions of the UDPA and BCDC's Bay jurisdiction.

- Revised pier repair and land use rules for new development will not take effect in the area between Piers 15 and 29 until the Special Study for the Pier 15-29 area is complete and adopted.

VI. PRESERVATION OF HISTORIC RESOURCES

- Some of the bulkhead buildings are on Category I piers and can be redeveloped under the provisions stated above in Section V. Some bulkhead buildings in need of repairs on Category II piers appear to be eligible for listing on the National Register of Historic Places. Pile supported structures, which could include bulkhead buildings, that are on the National Register or designated as a California Registered Historic Landmark can be repaired or rehabilitated under existing BCDC regulations without triggering the water-oriented use restriction (California Code of Regulations, Title 14, Division 5, Section 10704).

- The Port will complete full documentation of historic structures.

- The Port will evaluate how to increase public access and views in a manner compatible with historic preservation.

- Prior to approving any action that would adversely affect an historic resource, the Port will prepare and adopt a plan for historic resource preservation, covering the area between Pier 45 and China Basin Channel.

VII. JOINT DESIGN REVIEW COMMITTEE

The Port, BCDC, and the City will form a Joint Design Review Committee, which will consist of professionals in the field of design. The objective is to achieve early consensus on project and public access design. The joint review of proposed projects will expedite the permitting process at both state and local levels. The authority and composition of the Committee remains to be determined.

This draft Concept Agreement represents the consensus of the undersigned, will form the basis of further discussions, submittals for public review, a possible Memorandum of Understanding and will be transmitted to their respective Commissions or Board of Directors.

Dennis P. Bouey
Port of San Francisco

Marc Holmes
Save San Francisco Bay Association

Will Travis
San Francisco Bay Conservation
and Development Commission

PORT OF SAN FRANCISCO

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MEMORANDUM

December 16, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of six separate Exclusive Right to Negotiate agreements between the Port and; RMC Lonestar for real property at Pier 80, Bode Gravel Company/Mission Valley Rock for real property at Pier 92, British Pacific Aggregates Corporation for real property at Pier 94, ISG Resources, Inc. for real property at Pier 90, Grosvenor Bus Lines, Inc. for real property at Pier 96 and Waste Management, Inc. for real property at Pier 70.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

The Port has been approached by a number of prospective tenants with proposals to lease real property in the Southern Waterfront for a variety of maritime and industrial uses. Proposals have been made by; RMC Lonestar ("Lonestar"), Bode Gravel Company/Mission Valley Rock ("Bode"), British Pacific Aggregates Corporation ("BPA"), ISG Resources, Inc. (ISG"), Grosvenor Bus Lines, Inc. ("Grosvenor") and Waste Management, Inc. ("WMI") (hereafter the "Industry Group"). The proposed uses include; marine bulk cargo terminals, concrete ready-mix facilities, bulk cargo storage, a tour bus maintenance and repair facility, and a construction materials recycling facility. The individual proposals are outlined in greater detail below.

THIS PRINT COVERS CALENDAR ITEM NO. 6A

RMC Lonestar. Lonestar has proposed leasing up to 118,583 square feet of open land and 5,000 square feet of shed space at the Port's Cargo Terminal at Pier 80, for use as a maritime bulk cargo terminal and concrete ready-mix facility. This would be a relocation of their facility currently located at Third Street and Mariposa. Lonestar expects to import approximately 200,000 tons of aggregate per year by barge and 50,000 tons of cement per year by rail.

Bode Gravel Company/Mission Valley Rock. Bode Gravel Company is proposing a joint venture with Mission Valley Rock (existing Port Tenant) to lease approximately 200,000 square feet of open land and wharf space at Pier 92, also for use as a maritime bulk cargo terminal and concrete ready-mix facility. This is also a relocation of the Bode facility currently located at Third and 16th Streets. Bode expects to import approximately 200,000 tons of aggregate per year by barge and also plans delivery of cement by rail.

Lonestar and Bode, and their predecessor companies have operated concrete ready-mix facilities within the City of San Francisco for over 80 years. Both Lonestar and Bode currently operate concrete ready-mix facilities on Third Street in the vicinity of Mariposa, which is within the boundaries of the Catellus Mission Bay development project. Lonestar and Bode are anticipating relocation from their sites in the near future, since the proposed Mission Bay development does not include this use.

British Pacific Aggregates Corporation. BPA proposes to lease approximately 435,600 square feet of land at Pier 94 for use as a maritime bulk cargo terminal, bulk cargo storage facility and a concrete ready-mix plant. BPA proposes to import 1 to 2 million tons of aggregate per year by deep water ships and barges.

Lonestar, Bode and BPA are interested in locating their operations in San Francisco because of the numerous local construction projects such as the Giant's Pac Bell Park, Mission Bay Development projects UCSF Campus Facility, Downtown Ferry Terminal, Waterfront Transportation Project, Third Street Light Rail Extension and the Caltrans Bay Bridge and other seismic retrofits, all of which will require the services of concrete ready-mix services.

ISG Resources, Inc. ISG has made a proposal to lease approximately 100,000 square feet of real property which includes the grain silos located at Pier 90, for the import, storage and transloading of materials such as fly ash and slag. These materials are used for blending with cement. ISG proposes to use barges, ships and rail to deliver the materials to the silos. ISG plans to deliver materials to East Bay projects via barge from the Pier 90 site.

The silos at Pier 90 have been vacant for over 10 years. The most recent use was a grain export business that loaded grain to ships from large storage silos located on the site. ISG proposes to retrofit the silos, to handle and store fly ash products. The Products will be delivered to and from the site by barges and trains, to support the operation of the proposed concrete ready-mix plants and other regional projects. ISG proposes to deliver fly ash to the site by rail, thus re-activating

regular rail service to the facility, and plans substantial, physical improvements at this vacant facility to accommodate a maritime use.

The proposals by Lonestar, Bode, BPA and ISG for building materials such as cement, sand, gravel and other aggregate products are consistent with Port policies for that area.

Grosvenor Bus Lines, Inc. Grosvenor plans to lease approximately 28,030 square feet of shed space, 300,000 square feet of paved land and 13,870 square feet of office space at Pier 96, for the operation of a tour bus maintenance and repair facility. Grosvenor won the rights to negotiate a 10-year lease for this site through a Request for Proposals process. This use is considered to be an acceptable interim use for the site.

Waste Management Inc. WMI has proposed to lease approximately 24,000 square feet of shed space and 30,000 square feet of open land located at Pier 70, for use as a construction debris recycling facility. WMI has proposed a 5 year lease. This is an acceptable interim use for the site.

Land Use Documents Regulating the Southern Waterfront

There are five primary land use or legal documents that regulate uses on property within the jurisdiction of the Port of San Francisco. They are the California Public Trust, the General Plan of the City and County of San Francisco, the San Francisco Planning Code, the Port of San Francisco Waterfront Land Use Plan (WLUP) and the Bay Conservation and Development Commission's (BCDC) Seaport Plan.

The Public Trust. The San Francisco Waterfront is publicly owned and held in "public trust" on behalf of the people of California. The Port of San Francisco is trustee for these public lands. The California Constitution requires that uses within the Port's jurisdiction promote navigation, fisheries, waterborne commerce, enhance natural resources or attract people to use and enjoy San Francisco Bay. The Port, as trustee, makes the determination as to whether a given lease or land use is consistent with the Public Trust.

Certain long-term uses are acceptable within trust property. Such uses include all maritime and maritime support, other water-related industry, open space, water related commercial recreation and specialty retail and commercial which is designed to draw people to the waterfront. Interim shorter-term uses which do not preclude later conversion to a trust use are generally acceptable.

General Plan of the City and County of San Francisco. The General Plan is made up of numerous Area Plans. The Southern Waterfront area is within the boundaries of the South Bayshore Plan. The Plan provides objectives and policies to continue Heavy Industrial and Heavy Commercial uses in the project area and maintain a separation of industrial uses from residential uses.

San Francisco Planning Code. The Southern Waterfront area is located within the M-2 Heavy Industrial District. Most uses are permitted within this zoning district.

Port of San Francisco Waterfront Land Use Plan (WLUP). The Southern Waterfront area is located (not surprisingly) in the Port's Southern Waterfront District. The WLUP promotes expansion of cargo and maritime support uses at Piers 80, 90-92, 94-96, SWL 352, and portions of SWL 344. Most of this area has been designated as either Existing Maritime or Maritime Expansion Areas. Two other areas have been designated as Waterfront Mixed Use Opportunity Areas. One such area is an approximately 10-acre site at SWL 344 (Cargo Way Opportunity Area) the other area is the Western Pacific Opportunity Area. A wide variety of non-maritime industrial and commercial uses are allowed in these Waterfront Mixed Use Opportunity Areas, including general office, retail, warehousing and storage.

The WLUP includes sections within the document that outline development policies and development standards in the Southern Waterfront. The section entitled General Land Use Policies for Maritime Areas outlines general land use policies for the Existing Maritime Areas and the Maritime Expansion Areas. The sections entitled Development Standards for Other Existing Maritime or Maritime Expansion Areas and Development Standards for Mixed Use Opportunity Areas outline development standards by area.

Uses that include "waterborne transport of cargo" are clearly in compliance with the WLUP. The WLUP does acknowledge that there are locational constraints that make the Port of San Francisco less attractive for shipping than other coast ports. Because of this, interim non-maritime use in the Maritime Expansion Area are allowed in order to generate revenues to the Port until the sites are needed for cargo operations. The WLUP's Interim Use Policies are attached.

BCDC Seaport Plan. The Seaport Plan identifies Port Priority Use Areas throughout the Bay Area that are reserved for regional maritime port use and include within their premises maritime terminals. Although the Port Priority Use Areas are often many acres in area, BCDC's legal permitting authority extends only 100 feet inland from the mean tideline. Within this 100 feet shoreline band, BCDC can enforce the Seaport Plan use policies; further inland, the Seaport Plan policies are advisory.

The Seaport Plan defines a maritime terminal as a facility utilized for the receipt or shipment of waterborne cargo. A marine terminal includes the wharf, storage area, offices, rail and truck facilities, ... and other functions necessary to the efficient operation of a terminal. Piers 80 and 94-96, and portions of Piers 90-92 and SWLs 344-352 are located within a Port of San Francisco Port Priority Use Area. Certain portions of Piers 90-92 and SWLs 344-352 have recently been deleted from the Port Priority Use Area.

Uses within the Port Priority Use Area must be consistent with the definition of a Marine Terminal; that is, the facility must be used for the receipt and shipment of waterborne cargo.

Alternatively, interim non-maritime uses may be allowed in Port Priority Use Areas under certain conditions. Interim uses must not inhibit the eventual use of the facilities for maritime cargo shipping, and the length of the interim uses should be based on a reasonable amortization period for the cost of tenant improvements.

Port Commission Leasing Policy

Pursuant to Port Commission Leasing Policy adopted August 22, 1979 and as subsequently amended by subsection 10 of Resolution 80-95 adopted on September 10, 1980, Port staff is authorized to enter into negotiations with a prospective tenant without competitive bid when competitive bid is impractical or impossible and when the property is to be used for maritime purposes. Port staff has determined that these proposed leasing opportunities are impractical to bid for reasons that vary from site to site, but generally include the following reasons (1) many of the sites have remained unleased for over 10 years despite continuous marketing efforts by Port maritime staff, (2) the premises require significant capital improvements that make it uneconomical for other maritime uses, (3) the Port has many other maritime leasing opportunity sites available should additional maritime users express interest in locating on Port property, and (4) the Port is interested in promoting maritime transportation of construction related materials, both to foster water-borne commerce and mitigate transportation and air quality impacts, and the relocation of Lonestar and Bode Gravel due to the Mission Bay Development presents a unique, and immediate, opportunity for the Port.

Proposed terms and conditions of the leases are discussed in greater detail in Exhibits A1 – A6, attached hereto. Such terms and conditions are subject to change upon mutual agreement of the parties. Furthermore, such terms and conditions reflect general principles upon which the Port will negotiate, but do not pre-commit the Port into entering into a lease on those terms. A map of the proposed sites is attached hereto as Exhibit B.

California Environmental Quality Act

The San Francisco Planning Department has determined that a Supplemental EIR must be prepared prior to any final decision regarding the subject pending leases within the Port of San Francisco's Southern Waterfront. The purpose of the Supplemental EIR is to provide information about potential significant physical environmental effects of the proposed uses, to identify possible ways to minimize significant effects, and to describe and analyze possible alternatives uses for the area. Preparation of a Supplemental EIR does not indicate a decision by the Port Commission to approve or to disapprove any proposed leases or development projects. The Port intends, through exclusive negotiations, to identify the actions and activities that would be necessary to develop the Site and thereby facilitate meaningful environmental review. If the Project is found to cause significant adverse impacts that have not already been analyzed and/or have not been mitigated, the Port and City retain absolute discretion to require additional environmental analysis, and to: (a) modify the Project to mitigate significant adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed Project; or (c) reject or

proceed with the Project as proposed depending upon a finding of whether or not the economic and social benefits of the Project outweigh otherwise unavoidable significant adverse impacts of the Project.

This Exclusive Right to Negotiate, a copy of which is on file with the Commission Secretary, will provide the Industry Group members with the assurance that the Port will not solicit or commit to other uses of the proposed sites for each member during the term of the Exclusive Right to Negotiate.

PROPOSED EXCLUSIVE RIGHT TO NEGOTIATE

The terms of the Exclusive Right to Negotiate are discussed below:

(1)	Exclusive Negotiation Period:	Six (6) months
(2)	Commencement Date of Negotiating Period:	December 16, 1999
(3)	Termination Date of Negotiating Period:	May 15, 2000
(4)	Exclusive Right Fee:	Amount equal to one (1) months rent
(5)	Options to Extend Negotiating Period:	Six (6) option periods of one (1) month each
(6)	Option Fee:	Amount equal to one (1) months rent per option period
(7)	Obligations of Industry Group:	During Negotiating Period each Industry Group member will secure all permits and regulatory approvals required to operate their respective facility.

Prepared by: Mark Lozovoy, Acting Principal Real Estate Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 99-97

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, RMC Lonestar, ("Lonestar") has proposed to develop a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 80 on property to be leased from the Port Commission; and

WHEREAS, The proposed use of the Pier 80 and maritime terminal facility is consistent with the Seaport Plan; and

WHEREAS, Lonestar has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the determination and finding of the Port Commission that a concrete ready-mix plant and maritime bulk cargo terminal at Pier 80 would further the Port's public trust objectives, for the reasons set forth in the Memorandum of Agenda Item 6A for the December 16, 1999 Commission meeting, and given the unique and immediate opportunity to attract Lonestar as a Port tenant due to its pending relocation from its former long-term location in Mission Bay, request for proposals for a similar maritime use would prove impractical and impossible, and

WHEREAS, it is the finding of the Port Commission that Lonestar's proposed use of Pier 80 to be affected by the lease would be maritime in nature, and consistent with the public trust and Burton Act trust; now therefore be it

WHEREAS, Bode Gravel Company, ("Bode") has proposed to develop a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 92 on property to be leased from the Port Commission; and

WHEREAS, The proposed use of the Pier 92 and maritime terminal facility is consistent with the Seaport Plan; and

WHEREAS, Bode has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the determination and finding of the Port Commission that a concrete ready-mix plant and maritime bulk cargo terminal at Pier 92 would further the Port's public trust objectives, and for the reasons set forth in the Memorandum of Agenda Item 6A for the December 16, 1999 Commission meeting and given the unique and immediate opportunity to attract Bode as a Port tenant due to its pending relocation from its former long-term location in Mission Bay, a request for proposals for a similar maritime use would prove impractical and impossible; and

WHEREAS, it is the finding of the Port Commission that Bode's proposed use of Pier 92 to be affected by the lease would be maritime in nature, and consistent with the public trust and Burton Act trust; and

WHEREAS, British Pacific Aggregates Corporation, ("BPA") has proposed to develop a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 94 on property to be leased from the Port Commission; and

WHEREAS, The proposed use of the Pier 94 and maritime terminal facility is consistent with the Seaport Plan; and

WHEREAS, BPA has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the determination and finding of the Port Commission that a concrete ready-mix plant and maritime bulk cargo terminal at Pier 94 would further the Port's public trust objectives and for the reasons set forth in the Memorandum of Agenda Item 6A for the December 16, 1999 Commission meeting, a request for proposals for a similar maritime use would prove impractical and impossible, and

WHEREAS, it is the finding of the Port Commission that BPA's use of Pier 94 to be affected by the lease would be maritime in nature, and consistent with the public trust and Burton Act trust; and

WHEREAS, ISG Resources, Inc., ("ISG") has proposed to develop a maritime bulk cargo terminal and storage facility at Pier 90 on property to be leased from the Port Commission; and

WHEREAS, The proposed use of the Pier 90 and maritime terminal facility is consistent with the Seaport Plan; and

WHEREAS, ISG has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the determination and finding of the Port Commission that ISG is the only feasible operator of a maritime bulk cargo terminal and storage facility at Pier 90 and the existing Grain Terminal structures and for the reasons set forth in the Memorandum of Agenda Item 6A for the December 16, 1999 Commission meeting, a request for proposals for a similar maritime use at that facility would prove impractical and impossible; and

WHEREAS, it is the finding of the Port Commission that ISG's proposed use of Pier 90 to be affected by the lease would be maritime in nature, and consistent with the public trust and Burton Act trust; and

WHEREAS, Grosvenor Bus Lines, Inc., ("Grosvenor") has proposed to lease real property for use as a tour bus maintenance and repair facility at Pier 96; and

WHEREAS, The proposed use of a portion of Pier 96 for a tour bus maintenance and repair facility, as an interim use, is consistent with the Seaport Plan; and

WHEREAS, Grosvenor has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the finding of the Port Commission that Grosvenor's proposed use of Pier 96 to be affected by the lease, as an interim use, is consistent with the public trust and Burton Act trust; and

WHEREAS, the Grosvenor lease, if approved by the Port Commission would be subject to the Board of Supervisors' approval; and

WHEREAS, Waste Management, Inc., ("WMI") has proposed to develop a construction debris recycling facility at Pier 70 on property to be leased from the Port Commission; and

WHEREAS, The proposed use of the Pier 70 is an interim use and consistent with the Seaport Plan; and

WHEREAS, WMI has requested a six (6) month Exclusive Right to Negotiate the final terms and conditions of a lease, and to secure all permits and regulatory approvals upon completion of environmental review required under the California Environmental Quality Act (CEQA); and

WHEREAS, the approval of the Exclusive Right to Negotiate does not commit the Port to entering into a binding Lease; and

WHEREAS, it is the finding of the Port Commission that WMI's proposed use of Pier 70 to be affected by the lease, as an interim use, is consistent with the public trust and Burton Act trust; now therefore be it

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and RMC Lonestar for a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 80, upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting; and be it further

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and Bode for a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 92 upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting; and be it further

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and BPA for a concrete ready-mix plant and maritime bulk cargo terminal facility at Pier 94 upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting; and be it further

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and ISG for a maritime bulk cargo terminal and storage facility at Pier 90 upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting; and be it further

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and Grosvenor for a tour bus maintenance and repair facility at Pier 96 upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting; and be it further

RESOLVED, that the San Francisco Port Commission, hereby authorizes the Port Director to enter into an Exclusive Right to Negotiate Agreement between the Port and WMI for a construction debris recycling facility at Pier 70 upon final terms and conditions to be approved by the Port Director and the City Attorney, but in substantial accord with the terms and conditions set forth in the Exhibit to the Memorandum of Agenda Item 6A for the December 16, 1999 Port Commission Meeting.

I hereby certify that the Port Commission at its meeting of December 16, 1999 adopted the foregoing resolution.

_____
Secretary

PROPOSED LEASE TERMS AND CONDITIONS

RMC LONESTAR

(1) **Premises:** Approximately 118,583 square feet of open land and 5,000 square feet of shed space, located at Pier 80.

(2) **Use:** The construction and operation of a concrete ready-mix plant including; general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of construction materials, delivery and shipment by ship barge, rail and truck, and for no other purpose.

(3) **Term:** Ten (10) years, with three (3) five (5) year options.

(4) **Rent:**

a. Base Rent: Rental Rate of $.18 per sq. ft. per month for open land: $.45 per sq. ft. per month for shed space, with annual cost of living (CPI) increases.
b. Base Rent shall be adjusted to market rent every five (5) years.

(5) **Tenant's Maritime Commitment:** The Tenant agrees to ship to the Port the following minimum quantities of aggregate materials during the term of the Lease.

a. First year: 75,000 tons per year
b. Second year and each year thereafter: 200,000 tons per year

If during any lease year Tenant fails to meet the minimum level of bulk cargo shipments to the Port of San Francisco facilities, Tenant shall have one Lease Year to make up said deficiency. In the event Tenant does not make up the deficiency for the previous Lease Year within the twelve month cure period, Tenant shall pay to Port a Maritime Deficiency Fee equal to the Wharfage fees that would otherwise have been attributable to the quantities of bulk cargo tonnage constituting the Deficiency.

(6) **Environmental:** The Premises will be accepted by the Tenant in their "as is" condition. However, the Port will agree to offer rent credits to the Tenant for remediation of toxic soil.

a. Rent Credits for Toxic Soil Remediation: Rent credits will be granted by Port at a rate equal to $.01 per square foot per month, over the initial Term of the Lease.

(7) **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

(8) **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

(9) **Public Access:** As part of the proposed lease Tenant shall develop and maintain a public access space along the north shore of Islais Creek adjacent to the Tenant's premises. This development will be done with the assistance of the San Francisco League of Urban Gardeners (SLUG).

EXHIBIT A-1

PROPOSED LEASE TERMS AND CONDITIONS

BODE GRAVEL/MISSION VALLEY ROCK

(1) **Premises:** Approximately 200,000 of open land, located at Pier 92.

(2) **Use:** The construction and operation of a concrete ready-mix plant including; general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of construction materials, delivery and shipment by ship barge, rail and truck, and for no other purpose.

(3) **Term:** Ten (10) years, with three (3) five (5) year options.

(4) **Rent:**

a. Base Rent: Rental Rate of $.16 per sq. ft. per month, with annual cost of living (CPI) increases.
b. Base Rent shall be adjusted to market rent every five (5) years.

(5) **Tenant's Maritime Commitment:** The Tenant agrees to ship to the Port the following minimum quantities of aggregate materials during the term of the Lease.

a. First year:	75,000 tons per year
b. Second year and each year thereafter:	200,000 tons per year

If during any lease year Tenant fails to meet the minimum level of bulk cargo shipments to the Port of San Francisco facilities, Tenant shall have one Lease Year to make up said deficiency. In the event Tenant does not make up the deficiency for the previous Lease Year within the twelve month cure period, Tenant shall pay to Port a Maritime Deficiency Fee equal to the Wharfage fees that would otherwise have been attributable to the quantities of bulk cargo tonnage constituting the Deficiency.

(6) **Environmental:** The Premises will be accepted by the Tenant in their "as is" condition. However, the Port will agree to offer rent credits to the Tenant for remediation of toxic soil.

a. Rent Credits for Toxic Soil Remediation: Rent credits will be granted by Port at a rate equal to $.01 per square foot per month, over the initial Term of the Lease.

(7) **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

(8) **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

PROPOSED LEASE TERMS AND CONDITIONS

BRITISH PACIFIC AGGREGATES CORPORATION

1. **Premises:** Approximately 10 acres (final square footage to be determined and subject to measurement by Port) of open land, located at Pier 94.

2. **Use:** The construction and operation of a concrete ready-mix plant including; general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of construction materials, delivery and shipment by ship barge, rail and truck, and for no other purpose.

3. **Term:** Ten (10) years.

4. **Rent:** Base Rent-Rental Rate of $.18 per sq. ft. per month, with annual cost of living (CPI) increases.

5. **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

6. **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

PROPOSED LEASE TERMS AND CONDITIONS

ISG RESOURSES, INC.

1. **Premises:** Approximately 100,000 sq. ft. of open land which includes the grain silos, located at Pier 90.

2. **Use:** The construction and operation of a bulk materials cargo storage; general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of construction materials, delivery and shipment by ship barge, rail and truck, and for no other purpose.

3. **Term:** Fifteen (15) years.

4. **Rent:** Base Rent-Rental Rate of $.18 per sq. ft. per month, with annual cost of living (CPI) increases.

5. **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

6. **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

PROPOSED LEASE TERMS AND CONDITIONS

GROSVENOR BUS LINES, INC.

1. **Premises:** Approximately 28,030 sq. ft. of shed space, 300,000 sq. ft. of open land and 13,870 sq. ft. of office space, located at Pier 96.

2. **Use:** The operation of a tour bus maintenance and repair facility; general administrative uses directly related thereto, and for no other purpose.

3. **Term:** Ten (10) years.

4. **Rent:** Base Rent-Rental Rate of $.30per sq. ft. per month, for shed, $ .10 per sq. ft. per month for land and $1.15 per sq. ft. per month for office with annual cost of living (CPI) increases.

5. **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

6. **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

PROPOSED LEASE TERMS AND CONDITIONS

WASTE MANAGEMENT, INC.

1. **Premises:** Approximately 24,000 sq. ft. of shed and 30,000 sq. ft. of land (final square footage to be determined and subject to measurement by Port), located at Pier 70.

2. **Use:** The construction and operation of a construction debris recycling facility; general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of recycled construction materials, and for no other purpose.

3. **Term:** Five (5) years.

4. **Rent:** Base Rent-Rental Rate of $.35 per sq. ft. per month for shed and $.15 per sq. ft. for open land, with annual cost of living (CPI) increases.

5. **Infrastructure:** Tenant shall be responsible for any required infrastructure modifications or improvements including: roads, water, sanitary and storm sewers.

6. **Improvements:** The Premises will be accepted by the Tenant in their "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port.

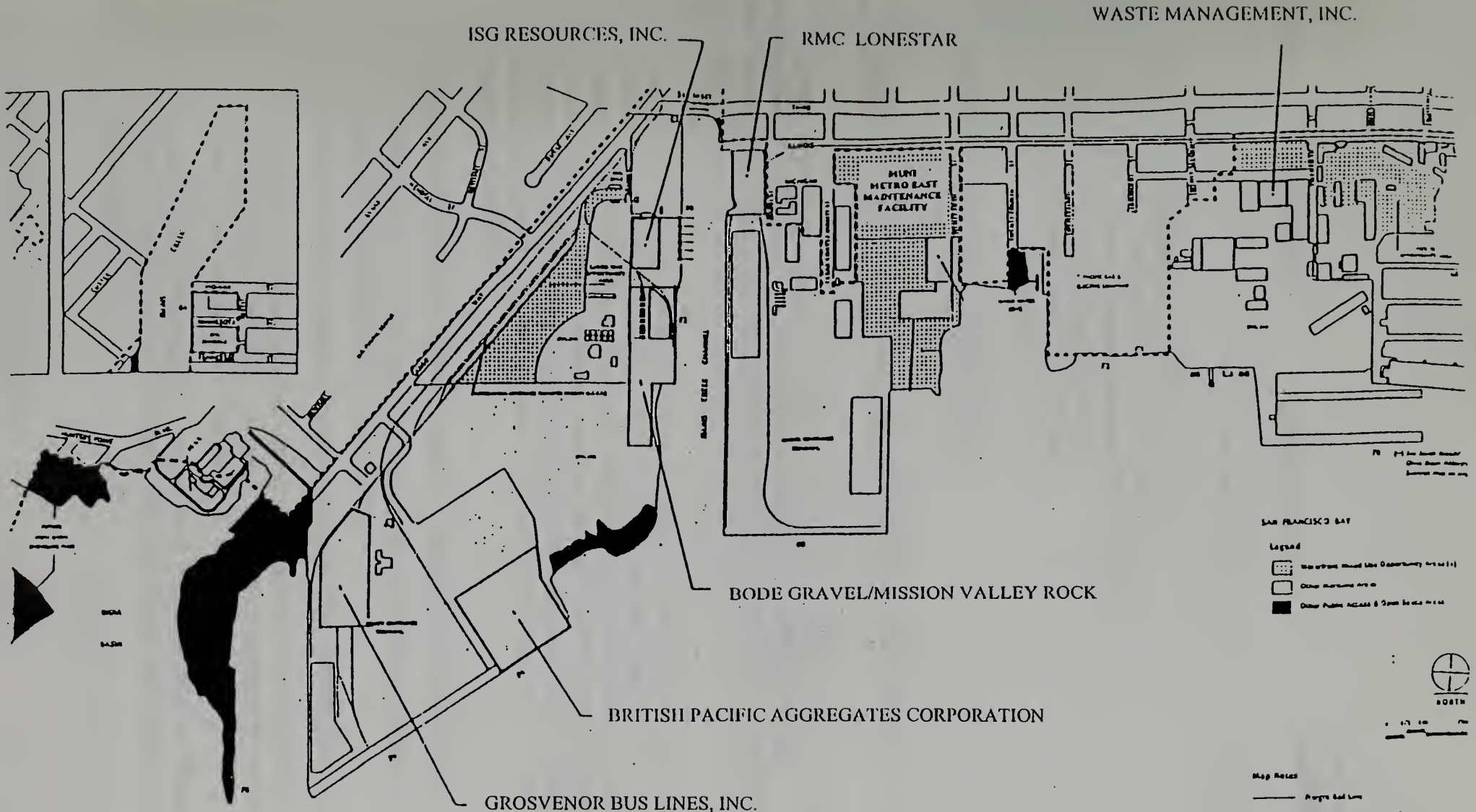


EXHIBIT B

Southern Waterfront Facilities and Proposed Tenants

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

December 10, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Contract No. 2613, Construction of the Downtown Ferry Terminal

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZE STAFF TO AWARD CONTRACT No. 2613, TO MILLER/THOMPSON CONSTRUCTORS, INC., FOR THE CONSTRUCTION OF THE DOWNTOWN FERRY TERMINAL

The design to construct a new ferry terminal south of the San Francisco Ferry Building and relocate the existing ferry terminal at the north end of the building was completed in late summer of 1999. The new and relocated facilities will offer more capacity to an already overtaxed ferry arrival and departure schedule; provide incentives for more ferry runs and increased ridership; and incorporate design and artistic features tying the facilities in with the historic and distinctly maritime elements of the surrounding waterfront. A detailed project description is attached.

Construction of this project is being funded by a number of sources, including:

- $2.96 Million in Federal Transit Administration (FTA) Section 3 funds for the breakwater and general terminal enhancements.
- $2 Million in FTA Section 9 funding to cover the South Terminal improvements.
- $7.5 Million in California Transportation Commission funds (including $2.7 Million on reserve) to cover construction, consultant construction management and special inspection services and miscellaneous costs.
- $40,000 in MTC 5% funds have been awarded, but not yet allocated. These funds will be utilized to maintain and enhance ferry ridership and to provide timely public information during construction.

This Print Covers Calendar Item No. 7A

As a recipient of FTA funds, this construction project must adhere to project-specific Disadvantaged Business Enterprise (DBE) goals and thus the City's HRC affirmative action goals are not applicable on this project. As the FTA contract compliance agency, the Public Transportation Department Municipal Railway (MUNI) established a DBE participation goal of 15% for the base bid of this project. The Port contracted with The Robert Group to develop and implement an aggressive DBE outreach program to maximize exposure and opportunities for DBE contractors, suppliers and vendors. Also, a focused outreach program to the local African-American construction community was facilitated by Technical Data Corporation as a consultant to the Port. Through this program, one-on-one assistance such as strategic team building and DBE certification was made available to all interested contractors. A detailed summary of the program is available upon request.

On November 18 of this year, three bids were received for this construction project. A summary of these bids is attached. The lowest responsible bidder was Miller/Thompson Constructors. As the administering agency for the FTA funds, the Public Transportation Department Municipal Railway (MUNI) is responsible for ensuring that the project DBE goal have been met. MUNI's Office of Contract Compliance is reviewing the bid documents and Port staff anticipates a finding that the low bid complies with the FTA DBE requirements.

A bid protest citing material irregularities was filed by the second low bidder, General Construction Company, on December 3, 1999. This protest was thoroughly analyzed by the Project Manager and Resident Engineer in consultation with the City Attorney's office. Legal counsel has found the protest to be groundless and insupportable.

Staff therefore recommends that the Commission award Contract No. 2613 to Miller/ Thompson Constructors, in the amount set forth in the base bid of $9,172,451.00, contingent upon approval by the Board of Supervisors to expend the FTA funds, and upon a determination by MUNI that Miller/Thompson's bid complies with the FTA DBE requirements.

Staff also recommends that the Commission authorize a 10% contingency for possible contract modifications and that the Executive Director be authorized to accept the work after it is complete.

Prepared by: Alexander K. Lee, Director of Facilities and Operations

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **99-98**

WHEREAS, On December 17, 1998, the Port Commission authorized staff to advertise Contract No. 2613 for competitive bids; and

WHEREAS, The Port has identified and received the necessary funding to construct the new southern terminal and relocate the existing northern terminal; and

WHEREAS, After receiving three bids on November 18, 1999, Staff reviewed the bid documents and determined that the lowest responsive bidder is Miller/ Thompson Constructors; and

WHEREAS, As the administering agency for the FTA funds, the Public Transportation Department (MUNI) is responsible for ensuring that the Federal Disadvantaged Business Enterprise (DBE) goals are met. The Public Transportation Department Office of Contract Compliance is reviewing the bid documents and is expected to find that the low bid of Miller/Thompson complies with the DBE subcontracting goals; and

WHEREA, the Federal Transportation Authority (FTA) has granted funding in the amount of $3,372,500 (33% of the identified funds) for construction of a new South Terminal and renovation of the existing North Terminal, as part of the base bid for the project; and

WHEREAS, it is anticipated that the entire cost of the project will be covered by FTA and California Transportation Commission (CTC) funds; and, therefore, be it

RESOLVED, That the San Francisco Port Commission hereby authorizes the award of Contract No. 2613, construction of the Downtown Ferry Terminal; at a cost of $9,172,451.00, and authorizes a 10% contingency, pending approval of the San Francisco Board of Supervisors of authorization to expend FTA funds; and be it further

RESOLVED, That the San Francisco Port Commission authorizes the Executive Director to accept the work after it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of December 16, 1999.

_____
Secretary

Attachment 1:Project Description

Downtown Ferry Terminal Improvements
Port of San Francisco

To meet the increasing ridership needs of Bay Area ferry commuters, the Port is constructing a new covered landing facility adjacent to the south end of the historic San Francisco Ferry Building. Complete with portal structures, railings and amenities that will echo the historic and maritime architectural themes of the Ferry Building and other waterfront pier-buildings, the new landing will also feature attractive stonework, paving and artwork at the portal that will enhance the attractiveness of the new facilities and the waterfront. A new breakwater will also be built to provide a safer and more accessible landing environment for the ferries.

After the new landing is constructed, the existing landing at Pier ½ will be relocated to just north of the Ferry Building. This renovated landing facility will feature the same architectural and artistic embellishments featured at the new landing.

The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.

Notable accomplishments on this project in 1999 include:

- Revising the project scope and schedule to coordinate with other adjacent projects, including the renovation and redevelopment of the Ferry Building itself.
- Implementation of an aggressive outreach program to minority communities for professional services.
- Establishment of an office to provide assistance and additional outreach to minority construction contractors.
- Development and implementation of a public information and education program to foster continued ferry ridership through construction, and to enhance future ridership.
- Work with a blue ribbon council to explore the possibility of adding two new, additional terminals further to the south of the Ferry Building, near the Agriculture Building.

November 26, 1999

THE ROBERT GROUP

100 McAllister Street
Suite 401B
San Francisco, California
94102-4929
Tel 415-701-7603
Fax 415-701-7604

PROJECT SUMMARY — DBE OUTREACH IN CONNECTION WITH THE PORT OF SAN FRANCISCO DOWNTOWN FERRY TERMINAL PROJECT

Project Purpose

The Robert Group conducted a comprehensive, targeted outreach program geared towards:

- informing DBEs about contracting opportunities on the Downtown Ferry Terminal Project;
- expanding the Port's database of existing DBEs and to contact these firms about the project;
- inviting potential contractors and subcontractors to attend a pre-bid conference;
- introducing potential prime contractors and subcontractors at the pre-bid;
- informing DBEs about the new federal certifications required on this project;
- notifying DBEs about the Port of San Francisco's certification assistance opportunities related to this project.

To achieve these goals, The Robert Group conducted stakeholder identification, enhanced the Port's outreach database, worked with members of the local San Francisco minority media, attended the pre-bid meeting and held several project management meetings with key Port staff, including Nita Mizushima.

Stakeholder Identification

The Robert Group staff researched and developed a list of approximately 45 DBE stakeholders in the construction industry to be contacted in San Francisco and limited surrounding areas for the Pre-Bid Workshop held on October 20th.

We designed and created a notice that was sent out to all DBE firms on our list inviting them to attend the Pre-Bid Workshop. The notice was faxed on October 15 & 18, and all recipients received a follow-up call October 19 to ensure that they had received fax, to RSVP if they could attend, to answer any questions, and to re-fax notice, if necessary. The Robert Group kept a detailed phone and fax log of all communications related to the October 20, 1999 DBE Workshop.

Outreach Database

The Robert Group developed an enhanced outreach database for use by the Port of San Francisco on this and potential future contracting opportunities. We provided Port staff with a hard copy of this stakeholder database, a set of is database labels and a PC formatted diskette with the database in Microsoft Excel format.

DBE Workshop
A representative of The Robert Group, Christine M. Robert, attended the Workshop on October 20th, and assisted with facilitating the meeting and answering questions. A total of 18 people attended the October 20th DBE Workshops (37 individuals attended the October 15 pre-bid conference).

Media Outreach
The Robert Group conducted outreach to targeted media, specifically the San Francisco Bay View and the Sun Reporter.

The Robert Group wrote a draft press release which was submitted for approval by The Port of San Francisco. This was revised several times before it was finalized in collaboration with Nita Mizushima and the Port's Communications Department, A copy of press release was sent to the San Francisco Bay View and Sun Reporter for placement in these publications. The release was run in the Bay View's October 27 issue.

The Robert Group also secured placement of advertisements for Pre-Bid Assistance in San Francisco Bay View and Sun Reporter publications. These advertisements ran in the October 27 issues of the Bay View and the November 4 7 11 editions of the Sun Reporter.

Meetings with Port Staff
As noted above, Christine Robert, President of The Robert Group assisted with the facilitation of the October 20, 1999 DBE workshop. She also attended meetings with the staff of the Port of San Francisco and conducted ongoing conversations with them related to this project.

TECHNICAL DATA CORP
5801 CHRISTIE AVENUE, SUITE 275
EMERYVILLE, CA 94608
510/652-8851
FAX NO. 510/652-8013

November 19, 1999

TO: Philip Bender

FROM: Doug Crosby
Technical Data Corporation

SUBJECT: DBE Outreach and Technical Assistance on the
Downtown Ferry Terminal
Port of San Francisco Project #2613

The following information is a narrative summary of the effort undertaken by Technical Data Corporation (TDC) to accomplish the task.

The early activities entailed meeting with the Project Director, Ms. Nieret Mizushima, and other principals on the project to establish the DBE outreach focus/requirements.

1. Met with Ms. Nieret Mizushima, September 23, 1999.

2. A follow up meeting on October 6, 1999, with Ms. Nieret Mizushima and Ms. Christine Roberts of the Roberts Group to discuss an action plan to accomplish the DBE program outreach.

*3. Began developing a DBE listing of certified firms listed with the RTCC Group.

4. Attended the pre-bid conference conducted by the Port October 15, 1999 and met with all of the potential prime bidders who indicated that they may be submitting a prime bid on the project.

*5. Followed up with all potential prime bidders and all plan holders with a letter describing TDCs services available to the prime and sub contractors at no cost.

*6. Scheduled a technical workshop for DBEs, identified a list of interested DBE firms, prepared an Information Letter to them and conducted the workshop 10-20-99.

7. Reviewed the plans and specifications and developed a generic referral list based on the items of work reflected on the plans.

*8. The referral list was sent to all of the prime bidders who attended the pre-bid conference held October 15, 1999.

9. Other information such as addendums 1, 2, 3, 4 and 5, certification information, confirmation of prime bidders, etc., was immediately disseminated to the identified DBE subs who indicated they were bidding the project.

10. Technical assistance, i.e., plans and specification review, quantity take-offs, pricing, etc., was provided to approximately nine DBE firms.

11. Direct linkage with prime contractors was provided to seven DBE firms.

12. Certification assistance for initial certification and recertification was provided to seven firms.

13. Outreach and assistance to DBE firms were ongoing throughout the process; also to potential prime bidders.

14. Joint Venture information/assistance was provided to three DBE/non-DBE firms who were bidding the project as Joint Venture teams.

15. Liaison meeting and interaction with Port staff was an ongoing enterprise throughout the pre-bid phase. The same exchange between TDC, DBE subs and prime bidders were active until 1:45 p.m. 11-18-99.

The above is a summary of activities TDC was engaged in throughout the process. In addition to the exhibits, we have an abundance of files with copious notes dating service calls and TDCs responses. These notes are available for your inspection upon request. TDC is committed to completing the follow up/post bid analysis as agreed to in the contract. We feel that the remaining funds will accomplish that.

(* Exhibits attached)

TECHNICAL DATA CORP
5801 CHRISTIE AVENUE, SUITE 275
EMERYVILLE, CA 94608
510/652-8851
FAX NO. 510/652-8013

November 30, 1999

POST BID DBE ANALYSIS

SAN FRANCISCO DOWNTOWN FERRY TERMINAL - CONTRACT NO. 2613

BID DATE 11-18-99

TDC received copies of the apparent #1, 2 and 3 lowest bids on Friday, November 19, 1999.

Doug Crosby, TDC principal, began a detailed review of the bid results relating to the DBE participation.

1. Bids from the apparent low bidders were reviewed in detail for the DBE participation, i.e.,

   a) Did the apparent low bidder contact TDC for assistance?
   b) What assistance did the apparent low bidder request?
   c) Did TDC respond timely with the requested assistance, i.e., certified DBE list? Were DBEs in proper available sub-trades?
   d) Was the assistance valid?
   e) Was it apparent in the three lowest bidders DBE participation that the information was used?
   f) Were all possible sub-trades listed?
   g) Were all DBE subs on TDC's list properly certified by the RTCC?
   h) Were there questions about sub's bonding capability
   I) Were there questions about Joint Venturing.

All of the above were types of questions raised by each of the three low prime bidders. In the post-bid evaluation process it appears that each of the three apparent low bidders utilized the information/assistance provided by TDC.

TDC adequately responded to each Prime Bidder. TDC pre-screened each DBE referral and verified their current certification status. Those who were not currently certified were assisted with a (quick walk-through) certification process.

600 WEST BROADWAY
SUITE 355
GLENDALE, CA 91203
818/956-7999
FAX 818/956-7995

3435 CAMINO DEL RIO SO
SUITE 214
SAN DIEGO, CA 92108
(619) 282-1798

In addition to responding to potential Prime Bidders, TDC maintained an aggressive outreach effort with listed potential sub-contractors, i.e., as noted on the (status report) spread sheet attached to invoice #001, dated November 12, 1999. TDC followed up with the subs listed on the low bidders sub-contractors lists and verified that the subs were aware that they were listed.

TDC also followed up with the MUNI contact person, Ms. Alberta Grant, to verify that we were on the same page and in agreement on the apparent low bidders' outreach efforts, valid certification of the listed DBE sub-contractors, etc. TDC's discussion with MUNI was cordial and positive.

Since the bid opening, TDC has received calls from potential 2nd tier sub-contractors who were not listed. We adequately explained to those subs that the Primes only have to list 1st tier prime subs and suggested they should pursue the prime sub to whom they bid.

In summary, it appears that the apparent low bidder did meet and exceed the DBE goal with bona fide RTCC listed sub-contractors.

If there are any further questions, discussions or protests, TDC is available and contractually obligated to work on the Port's behalf.

Doug Crosby
President
Technical Data Corporation

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: PJB
Date: 11/15/99
Bids Opened: 11/18/99

Project: Project: Downtown Ferry Terminal
Contrac Contract No. 2613
Project Project Manager: Nieret Mizushima

Bid Item #	Description	Estimated Quantity	Miller /Thompson Unit /LS Price	Miller /Thompson Total	San Rafael Rock Quarry dba Dutra Materials Unit /LS Price	San Rafael Rock Quarry dba Dutra Materials Total	General/ Biller-McCoy Joint Venture Unit /LS Price	General/ Biller-McCoy Joint Venture Total
1	Base Bid: Excludes Items 2-8	1	7,390,000.00	7,390,000.00	9,200,000.00	9,200,000.00	9,350,000.00	9,350,000.00
2	24" octagonal piles	9948	70.00	696,360.00	72.00	716,256.00	55.00	547,140.00
3	15" octagonal piles	386	41.00	15,826.00	70.00	27,020.00	40.00	15,440.00
4	36" vertical steel pipe piles	2064	265.00	546,960.00	325.00	670,800.00	250.00	516,000.00
5	~~28" x 42" vertical piles~~	~~6216~~		~~0.00~~		~~0.00~~		~~0.00~~
6	~~24 x 24" batter piles~~	~~444~~		~~0.00~~		~~0.00~~		~~0.00~~
7	~~24 x 24" batter piles~~	~~6966~~		~~0.00~~		~~0.00~~		~~0.00~~
8	Mobilization allowance	0		475,000.00		475,000.00		475,000.00
9	Float repair welding	15	7.00	105.00	500.00	7,500.00	10.00	150.00
10	Float repair steel plate	5	200.00	1,000.00	1,000.00	5,000.00	25.00	125.00
11	Float repair steel angle	2	500.00	1,000.00	2,000.00	4,000.00	10.00	20.00
12	Renovate interior of	6600	7.00	46,200.00	25.00	165,000.00	30.00	198,000.00
	Total, Base Bid			**9,172,451.00**		**11,270,576.00**		**11,101,875.00**
	Including 10% Contingency			**10,089,696.10**		**12,397,633.60**		**12,212,062.50**
Alternate 4 - Breakwater								
A4.1	Breakwater	1	1,740,000.00	1,740,000.00	2,100,000.00	2,100,000.00	3,600,000.00	3,600,000.00
A4.2	28 x 42" Vertical Piles	6216	165.00	1,025,640.00	94.00	584,304.00	70.00	435,120.00
A4.3	24 x 24" Vertical Piles	444	80.00	35,520.00	128.00	56,832.00	59.00	26,196.00
A4.4	24 x 24" Batter Piles	6966	100.00	696,600.00	80.00	557,280.00	57.00	397,062.00
	Total, Alternate #4			**3,497,760.00**		**3,298,416.00**		**4,458,378.00**
	Including 10% Contingency			**3,847,536.00**		**3,628,257.60**		**4,904,215.80**
	Total: Base Bid Plus Alternate 4			**13,937,232.10**		**16,025,891.20**		**17,116,278.30**
Alternate 1 - Public Access								
A1.1	Public Access Trestle - incl. lights, furnishings & finishes on breakwater, trestle & terminus	1	1,505,000.00	1,505,000.00	1,750,000.00	1,750,000.00	500,000.00	500,000.00
A1.2	28 x 28" vertical piles - trestle	1323	300.00	396,900.00	90.00	119,070.00	66.00	87,318.00
A1.3	24 x 24" batter piles - trestle	1458	110.00	160,380.00	120.00	174,960.00	57.00	83,106.00
A1.4	24" octagonal piles	1080	88.00	95,040.00	70.00	75,600.00	55.00	59,400.00
	Total, Alternate #1			**2,157,320.00**		**2,119,630.00**		**729,824.00**
	Including 10% Contingency			**2,373,052.00**		**2,331,593.00**		**802,806.40**
	Total, Base Bid Plus Alternates 4 & 1			**16,310,284.10**		**18,357,484.20**		**17,919,084.70**
Alternate 2 - Breakwater Monument								
A2	Breakwater Monument ADD, Lump Sum	1	267,000.00	267,000.00	320,000.00	320,000.00	175,000.00	175,000.00
	Total, Alternate #1			**267,000.00**		**320,000.00**		**175,000.00**
	Including 10% Contingency			**293,700.00**		**352,000.00**		**192,500.00**
	Total, Base Bid Plus Alternate 4, 1 & 2			**16,603,984.10**		**18,709,484.20**		**18,111,584.70**
Alternate 3 - Refurb. Existing Float								
A3.1	North Terminal Exist. Float Refurb.; DEDUCT Lump Sum	1	300,000.00	300,000.00	1,200,000.00	1,200,000.00	1,135,000.00	1,135,000.00
A3.2	North Terminal Exist. Float Refurb.; ADD Lump Sum	1	1,500,000.00	1,500,000.00	1,300,000.00	1,300,000.00	1,285,000.00	1,285,000.00
	Total, Alternate #3			**1,200,000.00**		**100,000.00**		**150,000.00**
	Including 10% Contingency			**1,320,000.00**		**110,000.00**		**165,000.00**
	Total, Base Bid Plus All Alternates			**17,923,984.10**		**18,819,484.20**		**18,276,584.70**

Clerical errors shown in italics/underline on this bid summary are interpreted per contract document 00200, Section 1.9.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Telex 275940 PSF UR
Fax 415 274 0528
Cable SFPORTCOMM
Writer

MEMORANDUM

December 8, 1999

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: **China Basin Park - Informational presentation of concept design for shoreline park east of Third Street along China Basin Channel.**

DIRECTOR'S RECOMMENDATION: REVIEW PROPOSED CONCEPT DESIGN AND PROVIDE COMMENTS TO STAFF.

Background

As a BCDC condition of approval, the China Basin Ballpark Company (CBBC) is required to construct public shoreline improvements along the south side of China Basin Channel east of Third Street extending to about Pier 48, referred to as "China Basin Park". The park will be about 85-feet wide by 600 feet in length. The Port Commission reviewed a conceptual improvement plan for the park in October 1997 with the Ballpark project design. The Port Commission also authorized funds to design and construct shoreline stabilization improvements to establish a permanent edge for the park as part of its FY 98/99 Capital Plan.

The BCDC permit condition for the Ballpark states that the China Basin Park should be approximately 85,000 to 100,000 square feet in size, be at least 35 percent landscaped, include at least ten benches or seat walls, include ten trash containers, and provide parking for 200 bicycles to serve the ballpark. In addition the Port is required to provide striped bicycle lanes on Terry Francois Boulevard between Lefty O'Doul Bridge and Mission Rock Street.

This Print Covers Calendar Item No. 8A

The CBBC and their landscape architect Patricia O'Brien have developed a concept design for the park based on a proposed program of uses that provides opportunities to enjoy views of the Bay Bridge, South Beach Harbor, the Ballpark and Lefty O'Doul Bridge, and opportunities for strolling and picnicking.

The proposed concept design is consistent with the Port's *Waterfront Design & Access Element* in providing a continual pedestrian connection along the waterfront and providing a significant open space at this location. The shoreline stabilization is designed as a steep slope (2.5:1) where possible to maximize the usable area of the park. About a third of the park will have a gentler slope of about 4:1 reflecting the existing contours of that particular area. The park features a 20-foot wide waterfront walkway, a walkway along Terry Francois Boulevard, landscaping between the two walkways, and a row of trees that will provide shade and screen the view of the parking lot on SWL 337 from the north. In addition, there will be 200 bicycle parking spaces located in a line below the trees and an area that may be developed for active recreation such as volley ball or basketball along the east edge of the park near Pier 48.

The park concept design was reviewed by the South Beach/Rincon Point Citizens Advisory Committee (CAC) on December 6, and by the Mission Bay CAC on December 9. The concept design was also reviewed in an earlier form by Port Design Advisors last spring and will again be reviewed by them on December 17. The BCDC Design Review Board will review the project on January 10, 2000. CBBC intends to request an extension of time from BCDC to complete the park beyond its required date of April, 2000. The park and its time extension will require an amendment to the BCDC Ballpark permit but will not require further approvals from the Port Commission.

Recommendation

Provide comments to staff on the proposed concept design.

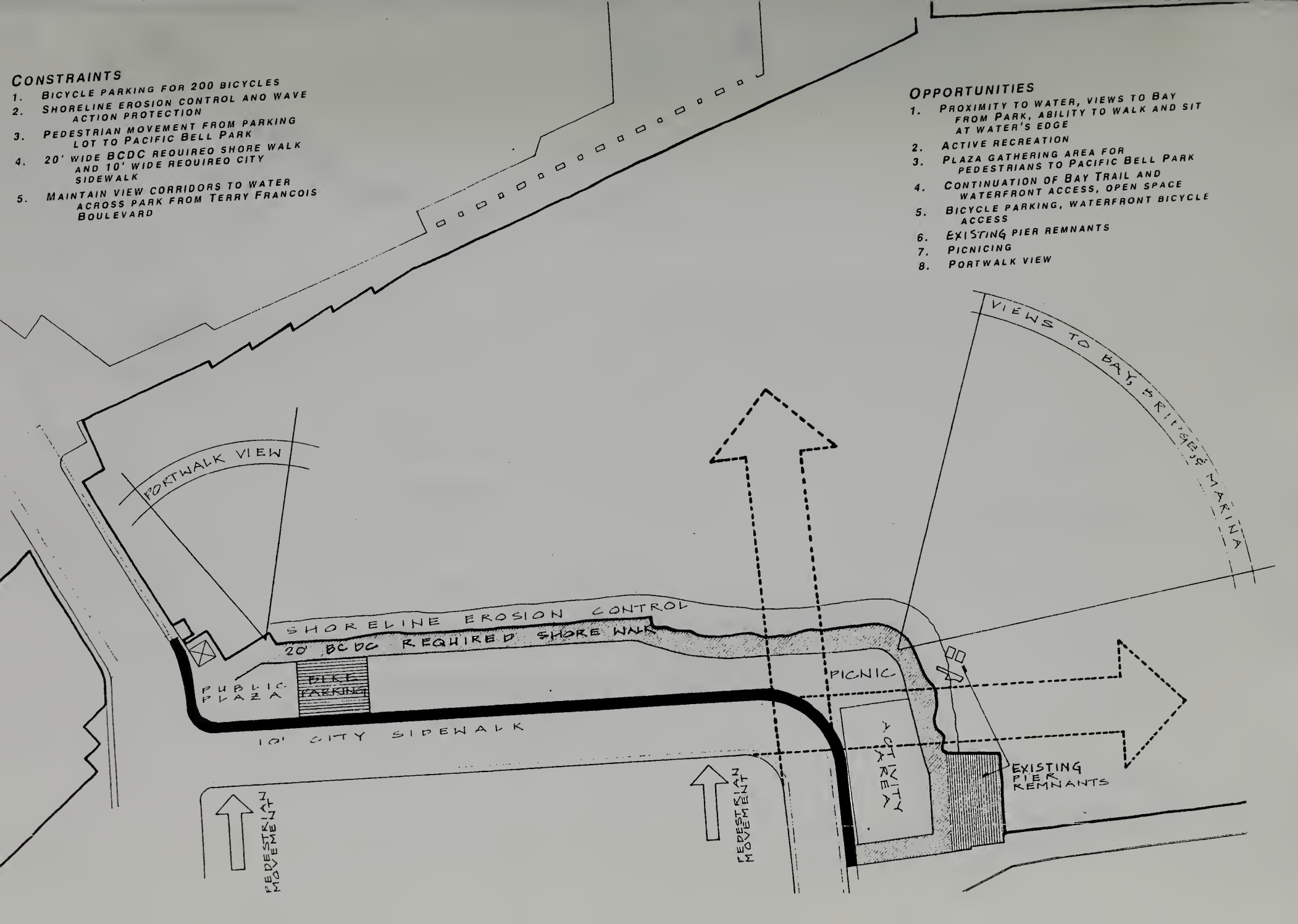
Prepared by: Paul Osmundson
Director, Planning & Development

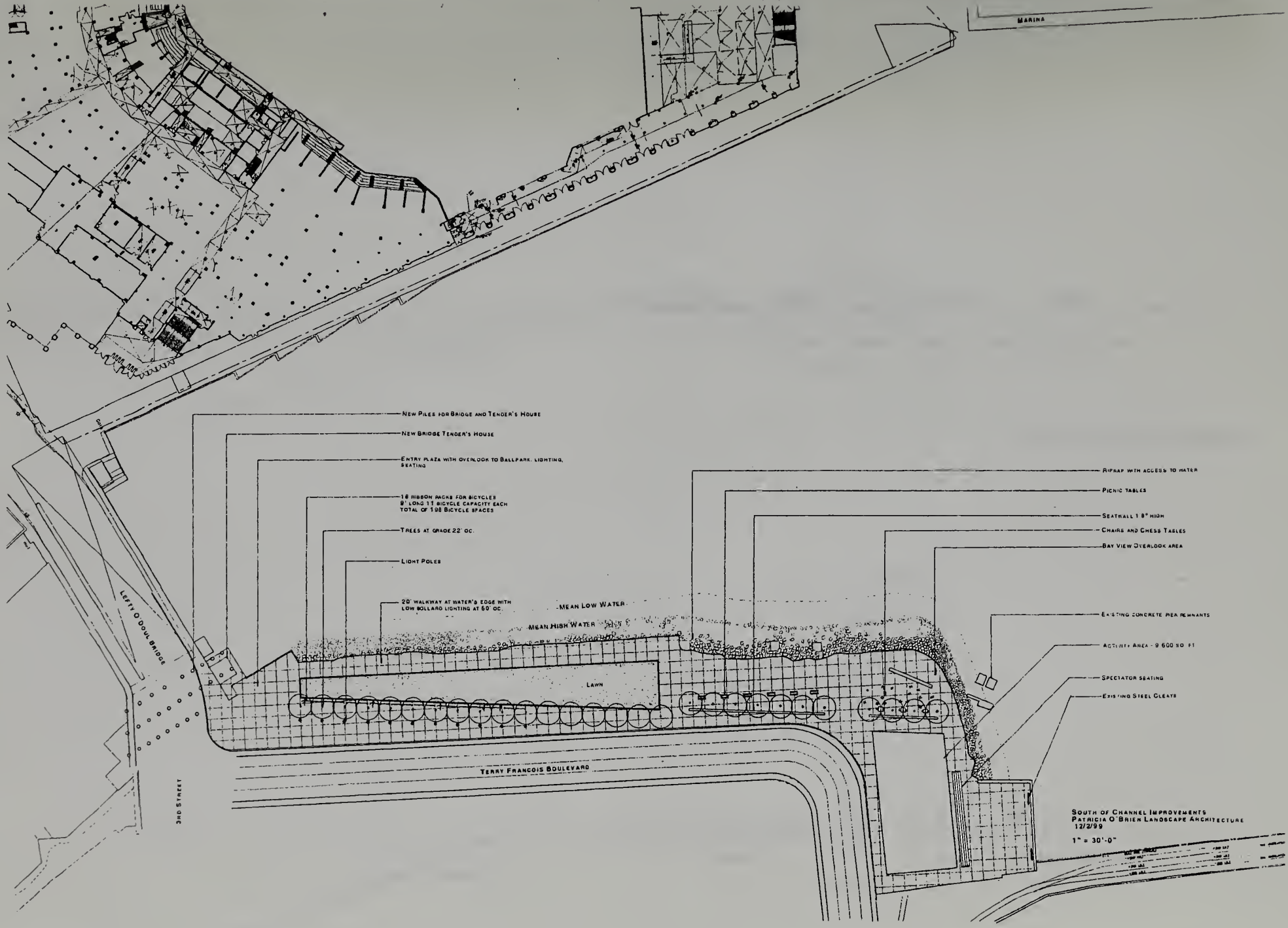
CONSTRAINTS

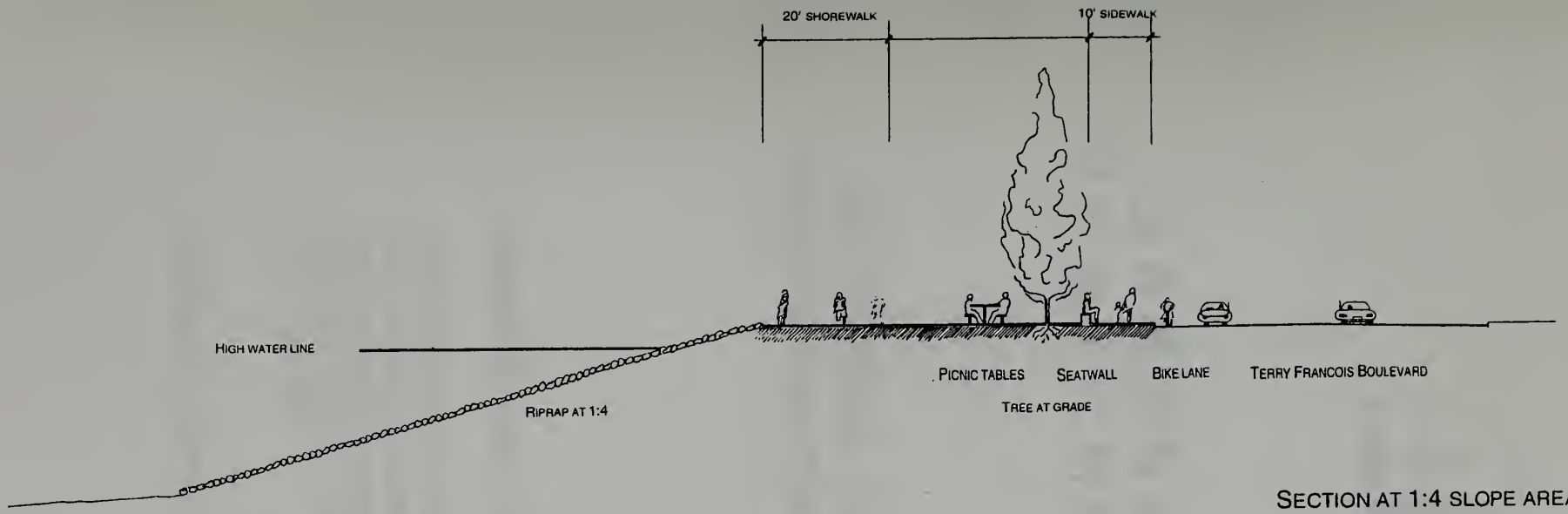
1. BICYCLE PARKING FOR 200 BICYCLES
2. SHORELINE EROSION CONTROL AND WAVE ACTION PROTECTION
3. PEDESTRIAN MOVEMENT FROM PARKING LOT TO PACIFIC BELL PARK
4. 20' WIDE BCDC REQUIRED SHORE WALK AND 10' WIDE REQUIRED CITY SIDEWALK
5. MAINTAIN VIEW CORRIDORS TO WATER ACROSS PARK FROM TERRY FRANCOIS BOULEVARD

OPPORTUNITIES

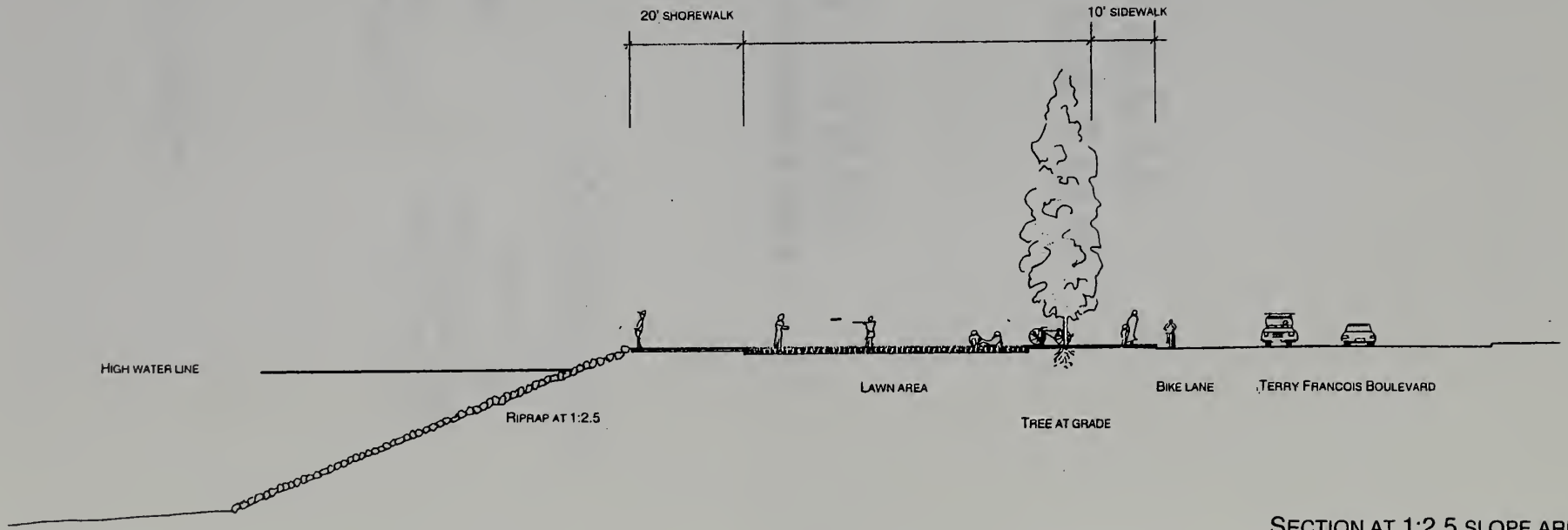
1. PROXIMITY TO WATER, VIEWS TO BAY FROM PARK, ABILITY TO WALK AND SIT AT WATER'S EDGE
2. ACTIVE RECREATION
3. PLAZA GATHERING AREA FOR PEDESTRIANS TO PACIFIC BELL PARK
4. CONTINUATION OF BAY TRAIL AND WATERFRONT ACCESS, OPEN SPACE
5. BICYCLE PARKING, WATERFRONT BICYCLE ACCESS
6. EXISTING PIER REMNANTS
7. PICNICING
8. PORTWALK VIEW




MARINA
NEW PILES FOR BRIDGE AND TENDER'S HOUSE
NEW BRIDGE TENDER'S HOUSE
ENTRY PLAZA WITH OVERLOOK TO BALLPARK, LIGHTING, SEATING
18 RIBBON RACKS FOR BICYCLES 9' LONG 1T BICYCLE CAPACITY EACH TOTAL OF 198 BICYCLE SPACES
TREES AT GRADE 22' OC.
LIGHT POLES
20' WALKWAY AT WATER'S EDGE WITH LOW BOLLARD LIGHTING AT 60' OC.
MEAN LOW WATER
MEAN HIGH WATER
LAWN
RIPRAP WITH ACCESS TO WATER
PICNIC TABLES
SEATWALL 1 8" HIGH
CHAIRS AND CHESS TABLES
BAY VIEW OVERLOOK AREA
EXISTING CONCRETE PIER REMNANTS
ACTIVITY AREA - 9 600 SQ FT
SPECTATOR SEATING
EXISTING STEEL CLEATS
LEFTY O DOUL BRIDGE
3RD STREET
TERRY FRANCOIS BOULEVARD
SOUTH OF CHANNEL IMPROVEMENTS
PATRICIA O'BRIEN LANDSCAPE ARCHITECTURE
12/2/99
1" = 30'-0"



SECTION AT 1:4 SLOPE AREA



SECTION AT 1:2.5 SLOPE AREA

SAN FRANCISCO PORT COMMISSION

DECEMBER 16, 1999 – 4 P.M.
MINUTES OF THE SPECIAL MEETING

DOCUMENTS DEPT.

JAN - 7 2000

SAN FRANCISCO PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
4:00 P.M., DECEMBER 16, 1999

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 4:45 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - December 7, 1999 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the December 7, 1999 Special Meeting were adopted.

3. EXECUTIVE

1) Executive Director's Report: Mr. Wong reported that the Board of Supervisors Finance Committee at yesterday's hearing approved the Ferry Building lease. It will then go to the full board for their approval. He thanked staff for all their efforts.

This being the last Commission meeting of the year, Mr. Wong wished the Commission and staff a Merry Christmas and a Happy New Year. Looking back, 1999 has been a spectacular year for the Port due in large part to the efforts exerted by the Commission and staff.

4. CONSENT CALENDAR

5. MARITIME

6. REAL ESTATE

A. Approval of six separate Exclusive Right to Negotiate agreements between the Port and: RMC Lonestar for real property at Pier 80; Bode Gravel Company/Mission Valley Rock for real property at Pier 92; British Pacific Aggregates Corporation for real property at Pier 94; ISG Resources, Inc. for real property at Pier 90; Grosvenor Bus Lines, Inc. for real property at Pier 96 and Waste Management, Inc. for real property at Pier 70. (Resolution No. 99-97) **THIS ITEM WAS HELD OVER TO THE NEX MEETING.**

Mr. Paul Osmundson, Acting Director of Real Estate, indicated that the Port has been approached by a number of prospective tenants with proposals to lease real estate property in the Southern Waterfront for a variety of maritime and industrial uses. Proposals have been made by: RMC Lonestar ("Lonestar"), Bode Gravel Company/Mission Valley Rock ("Bode"), British Pacific Aggregates Corporation ("BPA"), ISG Resources, Inc. (ISG"), Grosvenor Bus Lines, Inc. ("Grosvenor") and Waste Management, Inc. The proposed uses include; marine bulk cargo terminals, concrete ready-mix facilities, bulk cargo storage, a tour bus maintenance and repair facility, and a construction materials recycling facility.

Five primary land use or legal documents regulate uses on property within the Port's jurisdiction: the California Public Trust, the General Plan of the City and County of San Francisco, the San Francisco Planning Code, the Port of San Francisco Waterfront Land Use Plan (WLUP) and the Bay Conservation and Development Commission's (BCDC) Seaport Plan.

Pursuant to Port Commission Leasing Policy adopted August 22, 1979 and as subsequently amended by subsection 10 of Resolution 80-95 adopted on September 10, 1980, Port staff is authorized to enter into negotiations with a prospective tenant without competitive bid when competitive bid is impractical or impossible and when the property is to be used for maritime purposes. Port staff has determined that these proposed leasing opportunities are impractical to bid for reasons that vary from site to site, but generally include the following reasons (1) many of the sites have remained unleased for over 10 years despite continuous marketing efforts by Port maritime staff, (2) the premises require significant capital improvements that make it uneconomical for other maritime uses, (3) the Port has many other maritime leasing opportunity sites available should additional maritime users express interest in locating on Port property, and (4) the Port is interested in promoting maritime transportation of construction related materials, both to foster water-borne commerce and mitigate transportation and air quality impacts, and the relocation of Lonestar and Bode Gravel due to the Mission Bay Development presents a unique, and immediate, opportunity for the Port.

The San Francisco Planning Department has determined that a Supplemental EIR must be prepared prior to any final decision regarding the subject pending leases within the Port of San Francisco's Southern Waterfront. The purpose of the Supplemental EIR is to provide information about potential significant physical environmental effects of the proposed uses, to identify possible ways to minimize significant effects, and to describe and analyze possible alternatives uses for the area. Preparation of a Supplemental EIR does not indicate a decision by the Port Commission to approve or to disapprove any proposed leases or development projects. The Port intends, through exclusive negotiations, to identify the actions and activities that would be necessary to develop the Site and thereby facilitate meaningful environmental review. If the Project is found to cause significant adverse impacts that have not already been analyzed and/or have not been mitigated, the Port and City retain absolute discretion to require additional environmental analysis, and to: (a) modify the Project to mitigate significant

adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed Project; or (c) reject or proceed with the Project as proposed depending upon a finding of whether or not the economic and social benefits of the Project outweigh otherwise unavoidable significant adverse impacts of the Project.

This Exclusive Right to Negotiate, a copy of which is on file with the Commission Secretary, will provide the Industry Group members with the assurance that the Port will not solicit or commit to other uses of the proposed sites for each member during the term of the Exclusive Right to Negotiate.

Ben Robinson, Bode Gravel Company and Lonestar, hoped that Lonestar, Bode & Gravel continue to operate in their area as they have contributed so much to the well being of the community.

Bobby Gillory, ILWU Local #10, indicated that four of the companies have not considered ILWU jurisdiction and refused to address the ILWU concerns. He asked the Commission to hold off approval of the leases until such time that both parties have addressed all the issues.

Sophie Maxwell, Bayview resident and Project Area Committee Chairman indicated that they are concern about the health and aesthetics and would like more time and community participation before the leases are approved. They hired consultants to take a look at all of the southern part of the Port and how it could be improved. Business has been great and the companies are good neighbors but they would like to come together and talk about it. The more inclusive it is, the better it will be. She is not opposed to Bode or opposed to Lonestar in the community but they need more time to look at things and talk about how it should look, as appearance is important to the community.

Jesse Mason, Bayview Advocates, read a letter written by Karen Pierce (copy attached). Mr. Mason indicated that he too shares Ms. Pierce concerns. He asked the Commission to make a decision at a later time.

Dan Boardman, President of Bode Gravel Company, indicated that Bode is a family-owned business. The company's future is in the Commission's hands. They are being displaced at the end of 2000 for the Mission Bay Development. He shares Ms. Maxwell's distaste for the concrete plant at Third and 16th but it was built 25 years ago. They can do a lot better as they are required to do a lot better. He is confident that they can be environmentally sensitive as required. They are an asset to the community. The Ready Mix Concrete Industry and Bode Gravel are integral part of the good things that are happening in San Francisco right now i.e. the jobs and hoped to continue. He has 50 union employees and they are dependent on this site. He is convinced that this site is by far the best place for Bode Gravel, for the construction industry and the communities. They understand that there are a lot of environmental regulations that they need to comply with and are obligated to comply with to stay in business.

David Daneluz, Bode Gravel/Operating Engineers, indicated that there are 50 families that are dependent on this site. They work under the best agreements as far as labor is concerned. The owners are good, honorable people. There are concerns from ILWU but they are honorable men and are willing to work it out. They need this property to survive.

George Fox, a 22-year worker of Bode Gravel, indicated that there are a lot of people depending on the Commission to give them the site for their plant.

Ernie Robles, EJR Contracting Co., indicated that he understands everyone's concerns. Either the Commission approve the contract or they stay at their present location. Nobody wants to dump the concrete companies into another neighborhood to make their neighborhood a blight area. They have to keep work in the Bay Area. If they were to close both plants, they would have to have plants in South City travelling up Highway 101. He understands the health problems. He suggested looking into this matter further and come to a conclusion that is fair to everybody. The community needs concrete plans. The issues with ILWU and the health issues should be addressed with the EIR. He thinks that the agreement should be signed now. The Commission is not obligated while the other process is underway. The union jobs need to be preserved in the City.

Ernestine Weiss indicated that she's concerned with the health issues. She'd like to see that natural gas is used in the trucks instead of diesel fuel. The Bayview Hunters Point residents suffer with breast cancer. She asked the Commission to take the health issues into consideration.

Phil Tarantino, Business Representative with Teamsters 853, indicated that he has a signed master agreement with both Bode and RMC. His uncle designed the plant at 16th Street. They have a long-term relationship with both companies. Local 853 represents 300+ ready-mix drivers in San Francisco, Alameda and San Mateo Counties. Of the 300+ members, one fifth of them worked for Bode and RMC. They support the Commission getting together with the companies and negotiate while the EIR is in process. The employees will address any issues raised.

Jesse Tello, Teamster for 853, indicated that RMC is a good company as well as Bode and would like to see that the issues are resolved.

Mike Vidrine, RMC Pacific Materials, indicated that he moved to San Francisco from the South and has been with the company for 3-½ years. He wants to continue to live and work in San Francisco. RMC has been the fairest company he has ever worked for. They have done a lot of work for the City. They are in a situation where they need to put their plant in a different area. They want to stay in the City and keep the employees employed in the City.

Joe Sostaric, RMC Pacific Materials, indicated that they have a long history in San Francisco. Their Santa Cruz plant is instrumental in supplying cement for San Francisco. Over the last few years, they have been involved with the retrofit of City Hall, the new public library, Muni Metro Turnaround, etc. Their company

produces almost 90% of the concrete for the City. They bring value to the City and hope to bring value to the community. They are very aware of the need to be good neighbors and hope to be around for a long time. They will make their commitment to support the neighborhood. By moving to the Port, it would lessen the impact on the environment because materials could be brought through the waterways.

Fred Pecker, ILWU, asked the Commission to exercise its authority. ILWU has a good relationship with the Port. Since some of the companies are union, there would not be any problems sitting down with their longshoremen working out a mutual agreement that would keep the Port running the way it should which put qualified people on the docks and maintain the jurisdiction of the local longshoremen. They have no conflicts with the other unions working the other companies. The docks along the waterfront are their jurisdiction. He asked the Commission to help the companies respect that and help them avoid having to take any action to enforce that jurisdiction.

Jeffrey Leibovitz indicated that this is a great concern to both the industry and San Francisco. He talked about the amount of concrete that CalTrans would need to retrofit the Bay Bridge. The location of these two industries are critical to that project. Since there is competing interest for this land, he suggested that the Port enter into an MOU with these industries to lock the land for a short period of time until the EIR is completed which might satisfy everybody's needs.

Commissioner McWilliams read a letter from the South Beach Alliance Environmental Justice (copy attached).

Commissioner Brandon indicated that she has concerns but not about the companies. The companies have been negotiating with the Port for over a year and the Southern Waterfront Advisory Committee has also been in place for over a year. The Southern Waterfront Advisory Committee was put in place to help with the planning and development of the Southern Waterfront. Because this item has not been brought the Committee for their review, it is not fair to bring this item to the Commission without having gone to the Committee first. Since the process has been going on for so long, the Port and the companies have ample opportunities to address any of the concerns.

Mr. Osmundson indicated that the supplemental EIR is in process and this exclusive right to negotiate is absolutely not a way to circumvent the EIR but the facilitation of it. The Southern Waterfront Committee should have an opportunity to discuss this item and better understand what relationship it has to the Commission's decision making process.

Commissioner Brandon indicated that she's concerned that not enough information has been circulated. San Francisco depends on these companies. They are the future of the physical and economic development of San Francisco. No one is saying that the companies are not wanted but the review process has to go through the proper channels.

Commissioner McWilliams asked about the time frame to address the labor community as well as other parties concerns if this item was deferred. Mr. Osmundson replied that staff will work with the Southern Waterfront Advisory Committee and schedule for a meeting early next year. He expects that the Southern Waterfront meeting would have taken place before the January 11th Commission meeting.

Commissioner Lee indicated that the right to negotiate does not necessarily mean signing a contract. He did not want to see this item delayed any further.

Commissioner McWilliams indicated that he was concerned about the community and due process.

Commissioner Hardeman commented that the waterfront is a longshore country - they built this waterfront. He was disappointed that there was some communication trying to take place between the longshoremen and the companies but did not materialize. For each one of these drivers, there are a few hundred construction workers employed. He knows the importance of having these jobs. From the labor perspective, he encouraged everybody to move this along faster. The environmental concerns will be taken care of. Longshoremen have to be satisfied on the waterfront, as this is their territory. There are other trades and occupations working on the waterfront but they met down before a deal was reached. He'd like to see this move as fast as possible because we don't have to have 300 construction workers out of work for every driver out of work. He concurred with Commissioner Brandon's comments that no one is opposed with the companies but details have to be worked out.

Commissioner McCarthy concurred with the Commissioners comments. She would like the EIR to continue even if it means the Port needs to contribute more money. She was chagrined by this issue because this is not the first time that communication has broken down. It would behoove everyone to get this matter settled. The Commission supports those companies as they have done good work for the City for a long time. Some of these issues should have been worked out a long time ago.

Mr. Osmundson replied that some of the problems that have existed suffered from the lack of focus. Staff was not sure who was going to be analyzed in the EIR. Staff was not sure what the nature of their operations were. Staff was not sure until the last few weeks what we were talking about which led to some of the critical issues not being specifically addressed by these companies.

Commissioner McCarthy reassured the operating engineers that nothing horrible is going to happen by continuing this item to the next Commission meeting. Time is of the essence and instructed everyone involved to work together.

Mr. Osmundson indicated that the EIR is underway; the Draft EIR should be released in April or May which would allow for circulation and public comments. EIR Certification should take place in August. The companies would be given an

exclusive right to negotiate. Upon the completion of EIR, the Commission would then consider a lease in August or September.

Commissioner McCarthy remarked the importance of having the community voice their concerns; it makes a huge difference. Until an item gets on the agenda, the Commission does not hear from the community. She thanked everyone for their input.

ACTION: Commissioner McWilliams moved approval to hold this item over to the next Commission meeting; Commissioner Hardeman seconded the motion. Four of the Commissioners were in favor; Commissioner Lee cast the dissenting vote.

7. FACILITIES & OPERATIONS

A. Authorization to Award Contract No. 2613, Construction of the Downtown Ferry Terminal. (Resolution No. 99-98)

Mr. Alex Lee, Director of Facilities & Operations, indicated that the construction of this project is being funded by a number of sources, including:

- Alex Lee, Director of Facilities & Operations, indicated that $2.96 Million in Federal Transit Administration (FTA) Section 3 funds for the breakwater and general terminal enhancements.
- $2 Million in FTA Section 9 funding to cover the South Terminal improvements.
- $7.5 Million in California Transportation Commission funds (including $2.7 Million on reserve) to cover construction, consultant construction management and special inspection services and miscellaneous costs.
- $40,000 in MTC 5% funds have been awarded, but not yet allocated. These funds will be utilized to maintain and enhance ferry ridership and to provide timely public information during construction.

As a recipient of FTA Funds, this construction project must adhere to project-specific Disadvantaged Business Enterprise (DBE) goals and thus the City's HRC affirmative action goals are not applicable on this project. As the FTA contract compliance agency, the Public Transportation Department Municipal Railway (MUNI) established a DBE participation goal of 15% for the base bid of this project. The Port contracted with The Robert Group to develop and implement an aggressive DBE outreach program to maximize exposure and opportunities for DBE contractors, suppliers and vendors. Also, a focused outreach program to the local African-American construction community was facilitated by Technical Data Corporation as a consultant to the Port. Through this program, one-on-one assistance such as strategic team building and DBE certification was made available to all interested contractors. A detailed summary of the program is available upon request.

On November 18 of this year, three bids were received for this construction project. The lowest responsible bidder was Miller/Thompson Constructors. As the

administering agency for the FTA funds, the Public Transportation Department Municipal Railway (MUNI) is responsible for ensuring that the project DBE goal have been met. MUNI's Office of Contract Compliance is reviewing the bid documents and Port staff anticipates a finding that the low bid complies with the FTA DBE requirements.

A bid protest citing material irregularities was filed by the second low bidder, General Construction Company, on December 3, 1999. This protest was thoroughly analyzed by the Project Manager and Resident Engineer in consultation with the City Attorney's office. Legal Counsel has found the protest to be groundless and insupportable.

Staff therefore recommends that the Commission award Contract No. 2613 to Miller/ Thompson Constructors, in the amount set forth in the base bid of $9,172,451.00, contingent upon approval by the Board of Supervisors to expend the FTA funds, and upon a determination by MUNI that Miller/Thompson's bid complies with the FTA DBE requirements. Muni has determined that Miller/Thompson's bid complies with the FTA DBE requirements.

Staff also recommends that the Commission authorize a 10% contingency for possible contract modifications and that the Executive Director be authorized to accept the work after it is complete.

Mr. Lee thanked the following staff for their contributions to the project: Veronica Sanchez, Nita Mizushima, Joe Roger, Kim Wilhelm, and Philip Bender.

Marina Secchitano, Inland Boatmen's Union, indicated that she has concerns about this item and Port staff is aware of it. The dock is going to be removed and moved closer to Golden Gate. When that happens, there's going to be some changes. They have a lot of concerns regarding docking space. The public space at Pier One is a priority in this area. Golden Gate has expressed concern about going to Pier 9. Ferry access would not be made available because of the priority for public space. She questioned the idea of Hornblower being at Pier 33 for almost twenty years. Dredging needs to be done but they don't want to spend the money to do it. She suggested that consensus be reached with the operators who are going to use it before development occurs. The operator's input is important. She asked that this be given more thought and get the operator's buy-off. Blue and Gold as well as Harbor Bay are not convinced that the float would be adequate. Maritime use should have a priority in docking vessels in this area.

Mr. Paul Osmundson indicated that he has attended ten meetings where the engineering design team and representatives of each and every one of the ferry operators reviewed the design. What is presented to the Commission, as far as the design of the breakwater, was a specific change to the design that arose from the meetings with the operators because the original design of the breakwater had it bending around and presenting an obstacle to future expansion. There are constraints with respect to why that South Terminal is designed the way it is in terms of where it connects to the essential structure and the lease that Sinbad's has

on the immediate adjacent property. The Port had to dredge the existing berth in order to continue operating it now. Approximately two and a half years ago, the Commission approved a lease with Hornblower Dining Yachts for Pier ½ with the anticipation that when the Downtown Ferry Terminal was built that the lease would become effective and they would run an excursion boat operation in that location. Staff learned their lesson early in not going to the operators and having the people that actually land the boats watch our design team come up with the designs.

Commissioner McCarthy asked about the constraints that were imposed on the new South Terminal. Mr. Alex Lee replied that extending the float to the south, the essential structure would be extended further. If funding is available, staff plans to construct two more additional terminals. Staff wanted to construct a terminal that would not interfere with the Sinbad's lease. With the funding situation, we cannot afford to extend the essential structure to the south.

Commissioner McCarthy asked if staff would have designed a different terminal if Sinbad's lease was not in place. Mr. Osmundson replied that from a master planning standpoint, there would be an expansion but from the funding standpoint, the Port does not have any money to build any more essential structure. Staff is not minimizing the issue from the captain's standpoint; it would be preferable to have more room but we're constrained due to funding.

Commissioner McCarthy asked if the Port has the money, she asked if this could have been done differently. Mr. Osmundson replied that it would not be changed because staff has to work around Sinbad's lease.

Commissioner McWilliams indicated that this is a logistical issue. Having the layovers so far away is an issue for cruise and transportation. Someday, we're going to have a plan for Pier Nine. The Pier One facility not being available to accommodate the ferries is a big issue.

Mr. Dailey concurred that layberthing is an issue and is an issue for this terminal as well as the ballpark. At Pier One, Golden Gate has had a license to layberth a vessel there for a few hours a day. Since construction is underway at Pier One, they had to relocate their layberthing in Marin County but they do have a ramp apparatus for the reconstruction of the deck and open space. Pier One will be able to berth vessels when the construction is done. The Port retains the right to have the vessels berth there. Staff envisions it as a berthing location for transitory ceremonial ships. It is a rotational location that allows flexibility at a future time. Staff can revisit this and make it a long-term berth for boats. The use of the pier has changed; it has been a parking lot and now it's going to be an office with public access around the pier. Pier 9 is the home of the Bar Pilots. Pier 9 is farther away but it is available for layberthing of ferryboats. Pier One will be used for berthing vessels but is not envisioned as a long-term lease for a number of ferryboats.

Commissioner McCarthy indicated that this ties in with the earlier BCDC meeting. The issue of how public access will affect support and layberthing for the Ferry

Building. This is another issue to keep in mind when working out the last details of the BCDC Special Area Plan. There was a lot of discussion on this at the earlier meeting which needs to be addressed.

Commissioner Brandon commended Mr. Alex Lee and his staff for their outreach efforts. His staff has went beyond the call of duty to set up workshops to help people fill out the forms and outreach. She also thanked Nita Mizushima for all her efforts.

Ms. Secchitano indicated that this is a $13.7 million project and she questioned whether or not we should go forward with this since it is not adequate. There will be bigger, faster vessels without looking at some alternatives.

Commissioner McCarthy asked when construction will commence. Ms. Sanchez replied that we are on a tight frame to start construction. Port staff expects to start construction in mid-January. We have 350 days to complete this project so that we can hold on to our CTC funding. This funding was awarded in 1990 and 1993.

Mr. Osmundson indicated that the Ferry Building development agreement with Wilson Cornerstone depends on the completion of the north promenade work prior to January 1, 2001.

Mr. Cliff Jarrard added that it would take a week and a half to certify the contract and a Notice to Proceed will be issued. Mr. Lee indicated that he was assured by the contractor that this project will be completed less than 350 days.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 99-98 was adopted.

8. PLANNING & DEVELOPMENT

A. China Basin Park - Informational presentation of concept design for shoreline park east of Third Street along China Basin Channel.

Mr. Dan Hodapp, Planning Development Division, indicated that as a BCDC condition of approval, the China Basin Ballpark Company (CBBC) is required to construct public shoreline improvements along the south side of China Basin Channel east of Third Street extending to about Pier 48, referred to as "China Basin Park". The park will be about 85-feet wide by 600 feet in length. The Port Commission reviewed a conceptual improvement plan for the park in October 1997 with the Ballpark project design. The Port Commission also authorized funds to design and construct shoreline stabilization improvements to establish a permanent edge for the park as part of its FY 98/99 Capital Plan.

The BCDC permit condition for the Ballpark states that the China Basin Park should be approximately 85,000 to 100,000 square feet in size, be at least 35 percent

landscaped, include at least ten benches or seat walls, include ten trash containers, and provide parking for 200 bicycles to serve the ballpark. In addition the Port is required to provide striped bicycle lanes on Terry Francois Boulevard between Lefty O'Doul Bridge and Mission Rock Street.

The CBBC and their landscape architect Patricia O'Brien have developed a concept design for the park based on a proposed program of uses that provides opportunities to enjoy views of the Bay Bridge, South Beach Harbor, the Ballpark and Lefty O'Doul Bridge, and opportunities for strolling and picnicking.

The proposed concept design is consistent with the Port's *Waterfront Design & Access Element* in providing a continual pedestrian connection along the waterfront and providing a significant open space at this location. The shoreline stabilization is designed as a steep slope (2.5:1) where possible to maximize the usable area of the park. About a third of the park will have a gentler slope of about 4:1 reflecting the existing contours of that particular area. The park features a 20-foot wide waterfront walkway, a walkway along Terry Francois Boulevard, landscaping between the two walkways, and a row of trees that will provide shade and screen the view of the parking lot on SWL 337 from the north. In addition, there will be 200 bicycle parking spaces located in a line below the trees and an area that may be developed for active recreation such as volley ball or basketball along the east edge of the park near Pier 48.

The park concept design was reviewed by the South Beach/Rincon Point Citizens Advisory Committee (CAC) on December 6, and by the Mission Bay CAC on December 9. The concept design was also reviewed in an earlier form by Port Design Advisors last spring and will again be reviewed by them on December 17. The BCDC Design Review Board will review the project on January 10, 2000. CBBC intends to request an extension of time from BCDC to complete the park beyond its required date of April, 2000. The park and its time extension will require an amendment to the BCDC Ballpark permit but will not require further approvals from the Port Commission.

Pat O'Brien indicated that this project is still in its preliminary design phase. The park is located on the south channel. It is a continuation of the waterfront's edge that extends all the way to Crissy Field. This park is part of that tradition all around the bay. The park has an incredible view on all directions of the bay. This property is subject to a lot of tidal action. It is not particularly a gentle slope; it is a riprap area. Part of the programming is to be able to lay out on the grass. Since there was a desire for active recreation, they have been considering several different kinds of uses including volleyball, lawn bowling, and in-line skating rinks. Public comments on more quiet uses as well as more active recreation areas for older children were also raised. The trees were derived from both the desire to screen the parking lots and met with the Port's design board and their interest is maintaining the view line from the plaza area on the left all the way across the bay. Part of the permitting process was to have 200 bicycles park under the trees on ribbon racks so they won't be visible. The grass plain was slightly raised so there's an incline. The other interesting piece of the shoreline is part of the link of the park along the water's

edge is 2-1 slope and the beach area is eroded and would be stabilized on a 4-1 slope so there would be a more inclined area going to the water. While the park is very linear, it has two types of water edge – one is more laid back slope and one is the 2-1 slope along the western part of the park. BCDC requested a 24-foot walk all the way along the water's edge and have reviewed the plan. The other request was that view corridor B continues to Terry Francois Blvd. A ten-foot sidewalk runs along the length of the park. By the bridge tender area is a plaza space, a hard surface space, a gathering place before a ball game. The soft areas are grassy and potential for less or more recreational area. There is opportunity for picnicking, seating areas, and an overlook area.

Commissioner McCarthy asked about the wind situation. Ms. O'Brien indicated that it is windy but the trees would break the southern winds. The best protection would be at the ballpark.

Commissioner McCarthy asked about access to the water. Ms. O'Brien replied that the 2-1 slope on the western end is steep but falls within the maximum of not needing a rail. On the 4-1 slope it is less inclined and would have a closer feel to the water. Commissioner McCarthy commented about the way the park looks and its simplicity. Ms. O'Brien indicated that the park will be basically made of concrete but there would be a soften edge for walking so that the riprap would blend in. Commissioner McCarthy asked about what would go into the southeast area. Ms. O'Brien replied that at this point, they have received community comments and there would be volleyball activities.

Commissioner McWilliams asked about historical monuments that are going to be placed at the park. Ms. O'Brien replied that BCDC has been interested in historical monuments. A study has been done on the history of the area. They have found some historic photographs and are in the process of looking how they could be utilized and where they belong in the park.

Corinne Woods indicated that she was involved in the discussion of the park and pleased to see it moving. The seawall stabilization has slowed it down a bit. She was pleased to hear that Dan Hodapp is looking into some type of vegetation so the park would not look totally riprap. The issue of active recreation area when first approached, it was on the understanding that this was an area on days other than game-days, there wouldn't be any activities. It's the idea that they would want to activate the area. The major problems in the area are at night where there are significantly high homeless encampment. Activation of the area with active recreation would do much for that. What the Mission Creek Harbor people would like to see is to leave the 9600 sq. ft. on the southeastern part as is. There will be an active need for picnicking. There will be no tailgate parties because there's no room on the parking lots. Picnic area would be an appropriate use for all-year round use.

Jeffrey Leibovitz supported Ms. Woods' comments. He thanked Dan Hodapp and Kari Kilstrom in helping him understand why the Giants are seeking a delay in the completion of the park. In granting the Giants their approvals for the ballpark, 2-

1/2 acres of South Beach Park were a land-grab by them to the detriment to the community. They are anxious to see the completion of this park. Port staff helped them understand that they will get a better product out of this. The Giants was not causing the delay but it was engineering – the shoreline stabilization was the cause of the issue. They made some suggestions in programming. It would be critical and necessary that a public toilet be incorporated into the design of the plaza close to the Lefty O'Doul Bridge. He would like the Port to consider the naming of this park so it would not get politicized. The history of this area is China Basin. It would be critical that the park be called China Basin Park or China Basin Point Park and the Port Commission should entertain the idea of a resolution in naming the park. He was pleased to hear that Commissioner McWilliams brought up the historical component because this is one of the areas that the citizens of San Francisco do not have an understanding of its importance.

Pat O'Brien mentioned that there is lighting along the trees to give it a welcoming feel.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Corinne Woods thanked Port staff, specifically Dan Bell, for finding an interim off-street parking capability for the public boat launch since Mission Bay decided to move faster than originally planned. At the BCDC meeting, a request was made regarding a sewer pump station at Islais Creek. She nor the SWAC has heard anything about this matter and she asked the Commission for more information. Ms. Woods indicated that the Coast Guard, the Giants and the San Francisco Marine arm of the Police Department are concerned about water oriented activities, specifically, boating and beer. The idea of boats circling around the basin, getting in the way of the ferries and navigation of the channel during the game is a concern. Coast Guard has agreed to make a safety zone and not allow anchoring in the channel. Port staff is looking into a resolution forbidding anchoring at the site and asked for the Commission's support.

Commissioner McCarthy indicated that staff will look into the issues Ms. Woods raised.

Commissioner McWilliams provided the Commission a copy of a literature from the Seattle World Class Port Coalition. The Seattle World Class Port Coalition representing ILWU Locals, the Port of Seattle, waterfront employers and Pacific Maritime Association, commit to build a strong relationship, promote trust and work together as a team to enhance the quality of our work environment, increase productions, and attract additional cargo to foster the economic vitality of the region. The Coalition will create a standard of cargo handling in the port that will set Seattle apart as a world class model for the maritime industry. Commissioner McWilliams indicated that he is interested in pursuing the same things at the Port and hoped that next year, there will be an opportunity to meet collectively with the Port of Oakland to discuss marketing the area together as ports and not compete with each other.

11. EXECUTIVE SESSION

ACTION: Commissioner Brandon moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 6:40 p.m., the Commission withdrew to executive session to discuss the following:

CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (three cases).
__X__ As Defendant __X__ As Plaintiff

At 8:50 p.m., Commissioners McCarthy, Brandon, Hardeman, McWilliams and Lee returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:50 p.m.

BAYVIEW HUNTERS POINT COMMUNITY ADVOCATES, INC
5021 Third Street San Francisco, CA 94124 (415)671-2862

December 15, 1999

San Francisco Port Commission
Ferry Building
San Francisco, CA 94111

Re: Proposed exclusive right to negotiate

Dear Commissioners:

This letter is to express concern about the proposed action to enter into an exclusive right to negotiate leases on the December 16, 1999 calendar. Members of the Bayview Hunters Point Health and Environmental Assessment Task Force and the Bayview Hunters Point Democratic Club join us in this concern. We would like to request that action on this item be delayed until more information can be provided to the community. As you know, we are concerned with the health of Bayview Hunters Point residents and are committed to a clean environment to ensure the wellness of the community.

We are not convinced that allowing the proposed tenants to do business on the Port property in question would be in the best interest of the community and would like more assurances that all activities on the property will be "clean" and pollution free. In this regard, we are very concerned about diesel emissions as well as particulate matter that may be introduced into the air as the result of concrete production.

Whether or not there is space on the proposed sites, we are opposed to industrial activities that cannot be performed in a manner that protects the environment and the health of community residents. Therefore, even if this is a preliminary step, no agreements should be considered without including proper mitigation provisions.

It is our understanding that the impetus for this agreement is to have the proposed tenants share the cost of the EIR. If this is correct, the City and its communities would be better served if the Port paid the full cost and awaited the outcome to determine which leases should be considered. We hope that you will refer this item back to the SWAC for consideration before making a decision.

Very truly yours,

Karen G. Pierce
President
SWAC Member

Olin Webb
Executive Director

SAEJ SOUTHEAST ALLIANCE for ENVIRONMENTAL JUSTICE

744 Innes Avenue, San Francisco, CA 94124 ph: (415) 824-4102 email: SAEJ@SAEJ.org
fax: (415) 824-1061 web: www.SAEJ.org

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Project Coordinator

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Office Manager

December 16, 1999

The Honorable Kim Brandon, Vice President Port Commission
Port of San Francisco
Ferry Building, Room 3100
San Francisco, Ca 94111-4263

Dear Honorable Commissioner Brandon:

I recently learned of a letter that Port Staff sent to the six lease applicants for Port property located at Piers 70 – 96 on the southern waterfront. The letter advises the applicants that Staff will seek Commission approval to bestow an "Exclusive Right To Negotiate" status on the lease applicants.

This causes us grave concern because we as community organizations have not had adequate notice or sufficient time to consider the effects this will have on the supplemental EIR process. I understand the issue was raised very briefly in the November meeting with the Southern Waterfront Advisory Committee as an issue that was being considered. Concerns have been expressed that this may be an attempt to circumvent or influence the EIR process. We will need time to study the significance of this.

I urge you and your fellow Commissioners to deny approval to grant such status on the lease applicants at this time, or, at least postpone consideration of the request until a future date. I hope you agree that this would be the most appropriate action to take on this matter.

12/14

TO:
AMY QUEZADA
274-0412

PLEASE COPY TO
ALL COMMISSIONERS

THANK YOU

Steven Osaej

We are unable to attend the Commission meeting this evening; however, if you have questions about this please contact me directly at, 510/642-8602.

Respectfully,

Claude Wilson,
Executive Director

cc: Honorable Denise McCarthy, President
Honorable Michael Hardeman, Commissioner
Honorable Brian McWilliams, Commissioner
Honorable Pius Lee, Commissioner
Douglas F. Wong, Executive Director, Port of San Francisco

The Seattle World Class Port Coalition

The Seattle World Class Port Coalition representing ILWU Locals, the Port of Seattle, waterfront employers and Pacific Maritime Association, commit to build a strong relationship, promote trust and work together as a team to enhance the quality of our work environment, increase productions, and attract additional cargo to foster the economic vitality of the region. We will create a standard of cargo handling in the port that will set Seattle apart as a world class model for the maritime industry.

ILWU Local 19

ILWU Local 98

The Port of Seattle

Pacific Maritime Association

American President Lines

Matson Terminals

Marine Terminals Corporation

Stevedoring Services of America

Total Terminals Incorporated

Trans Pacific Container Corporation

Newsletter, November 1999

PORT COALITION BACK IN THE SADDLE AFTER NEW CONTRACT

The Seattle World Class Port Coalition has resumed its activities promoting cooperation and productivity on the waterfront now that the new contract between the ILWU and the PMA has gone into effect. The idea is to build on previous successes through four committees. The steering committee provides oversight and direction to the three other committees, which deal with port operations, long-range planning and communications. Presently, the coalition includes representatives from the ILWU Locals 19 and 98, the PMA and the Port of Seattle. Recognizing their valuable input, the membership is unanimous in its desire to have ILWU Local 52 join the coalition.

During its first two years, the coalition recommended new auto-locking cones to carriers, voiced opposition to damaging Harbor Maintenance Tax proposals and supported regional freight mobility efforts to separate rail and automotive traffic, improved top-pick housekeeping, and studied port operations and labor-management cooperation in Los Angeles, Vancouver, Charleston, New York/New Jersey, Halifax and Montreal. At the direction of the steering committee, the Port and ILWU will reinvigorate the crane committee to address crane maintenance issues and enhance crane operator training to ensure more consistent productivity.

Former labor leader Rhonda Hilyer was asked by the Port of Seattle to facilitate the first meeting of the coalition in January 1998. Her message was that the players on the waterfront could learn to focus on common interests, such as attracting more cargo to the port – clearly something of interest to both labor and management. The value of the coalition is to create a space where people from both sides can begin to imagine and live out a more cooperative working relationship. The process can create a new kind of industry leadership with a wider vision of collective responsibility.

PUGET SOUND CARGO VOLUMES TO DOUBLE IN NEXT TWO DECADES

Container volumes at Puget Sound ports are expected to more than double during the next two decades, according to the Washington Public Ports Association in Olympia. Volumes are expected to reach 6 million TEUs in 2020, up from last year's 2.6 million TEUs. The Port of Seattle set a new record of 1.54 million TEUs in 1998, while the Port of Tacoma handled 1.1 million TEUs. Average annual growth of international trade among all Washington state ports is projected to grow 4-5 percent during the next 20 years. The value of trade through the state's ports will rise to $200 billion from $126 billion in 1997. In light of the expected growth in container traffic and competition from other ports, the coalition continues to work on the major issue of productivity in the Port of Seattle. The coalition recognizes that world class port status can only be achieved and maintained through a cooperative effort involving all of the players.

PORT, LABOR AND SSA BREAK GROUND FOR EXPANSION

Officials from the Port of Seattle, Stevedoring Services of America and the International Longshore & Warehouse Union are expected to break ground for a $300 million expansion of Terminal 18 on Harbor Island on Nov. 19. The event launches a two-year construction project that will nearly double the size of the terminal to 196 acres, making it the second-largest container terminal on the West Coast. The terminal's on-dock rail capacity will be expanded and reefer plugs will be added. The new terminal is expected to generate 2,000 new jobs and $290 million annually in new business revenues.

P.O. Box 1209 • Seattle, WA 9811 • Phone (206) 727-4310 • Fax (206) 727-4316